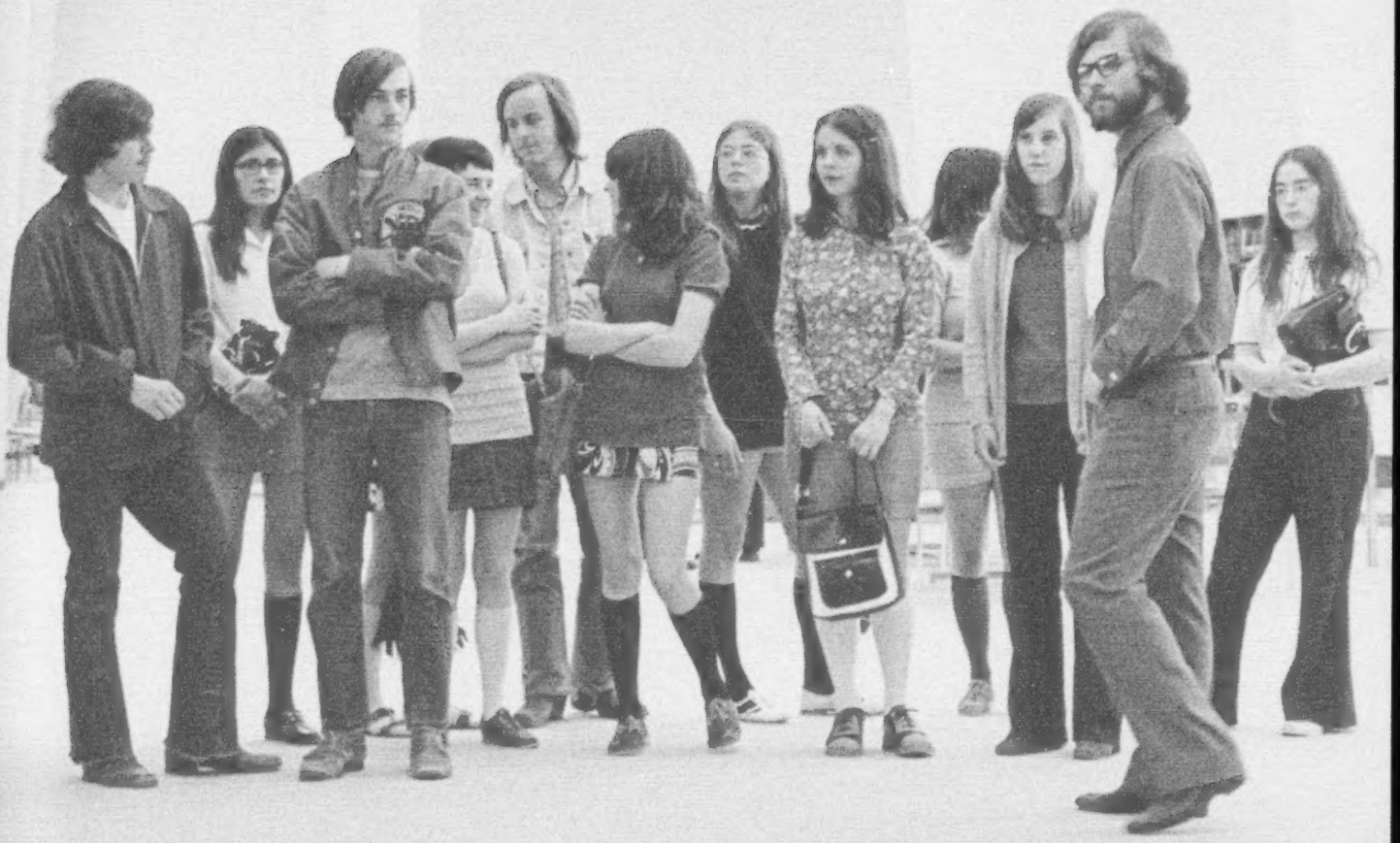
ANNUAL REPORT 2013-14

40
1974–2014
years of independence



University of Regina

mâmawohkamâtowin: Our Work, Our People, Our Communities

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Message from the Board of Governors and President

Photo: U of R Photography

The University of Regina is pleased to submit its annual report and audited financial statements for the fiscal year ending April 30, 2014. Like past annual reports, this document highlights many of the University's major accomplishments over the previous year. As the report is for 2013-14, however, it covers a special time in the institution's history – the fortieth year of the University of Regina's existence as an autonomous institution, and the final year of a five-year planning cycle guided by our most recent strategic plan, entitled *mâmawohkamâtowin: Our Work, Our People, Our Communities*.

The University of Regina has grown and developed a great deal since gaining autonomy in 1974. Academic partnerships have been formed with universities in Canada and around the world, new faculties and academic programs have been added to respond to student demand, and enrolment has more than doubled from 6,430 in the University's first year of operation to more than 13,500 for the fall of 2013. This growth has been reflected in our facilities, where square footage has increased by nearly half in the last decade.

The University of Regina's continuing transformation has been readily apparent throughout the past five years – and over the past year in particular – as we have worked together to implement the current strategic plan. The plan's collegially developed objectives called for action in areas such as teaching and research, student support, student enrolment, accessibility and community engagement – and the University of Regina has risen to this challenge.

Flowing from the strategic plan, specific plans were developed that are reinvigorating teaching and research on our campus. We invited two external reviews to ensure that our research processes and support are the best they can be in the years to come. Following several years of declining student enrolment, an increased focus on internationalization and Indigenization, combined with the creation of the Faculty of Nursing, has led to five years of enrolment increases, with a record number of students now studying at our University. Enhanced scholarship support, together with programs such as the UR Guarantee, has helped retain students and provided more experiential learning opportunities than ever before. In addition, the University has expanded its reach and support in Saskatchewan communities, and become a truly provincial university.

Though it is important to celebrate these accomplishments, it is even more important to look to the future. With the 2009-14 planning cycle coming to a close, it is time to write a new chapter in the history of the University of Regina. Throughout the coming year, we will work together to create and implement a new strategic plan – one that builds on our successes, addresses the challenges we face, responds to changes in Canada's post-secondary sector, and leads change by charting a bold course and a bright future for our University.

It has been exciting to be part of the University over the past several years, and it will be an honour to continue our work together in the years to come.

Lee Elliott
Chair, Board of Governors

Dr. Vianne Timmons
President and Vice-Chancellor

Management discussion and analysis

Profile

The University of Regina provides an attractive study and work environment for students, faculty and staff. Both the main campus and historic College Avenue campus are located in Wascana Centre, one of the largest urban parks in North America. A comprehensive university with nearly 200 programs and more than 13,500 students, the University of Regina strives to provide a welcoming, rewarding environment that fosters creativity, engagement, continuous learning, and the opportunity to succeed.

President Timmons visits students at Ben McIntyre School in Uranium City, Saskatchewan.
Photo: Patty Niebergall, President's Office

The University is home to 10 faculties and 25 academic departments, which have established reputations for excellence and innovative programs leading to Bachelor's, Master's, and doctoral degrees. The University is committed to providing high-quality, accessible education that prepares learners for productive and creative lives. The University continues to produce innovative research and scholarship to expand human knowledge, as well as support social, environmental, and economic development.

Together with our federated colleges – Campion College, First Nations University of Canada, and Luther College – the University provides a work home to 3,000 people, and supports 970 additional full-time jobs in Saskatchewan.

University of Regina alumni – now numbering more than 62,000 – embody the University's motto, "As One Who Serves." They contribute to and build our society in Saskatchewan and Canada, and are our ambassadors to the world.

Vision

The University of Regina is a welcoming, student-focused institution that combines deep-rooted values with innovative thinking, classroom theory with real-world practice, and global ideas with regional needs. We aspire to be one of Canada's best comprehensive universities.

Strategic plan

The University of Regina's Board of Governors set the direction for the University by introducing a five-year strategic plan entitled *mâmawohkamâtowin: Our Work, Our People, Our Communities* in July 2009. Since that time, the Board has approved a performance measurement framework to monitor and report on progress toward achieving the vision, mission and goals outlined in the strategic plan.

This annual report highlights the activities and accomplishments of the University of Regina for the 2013-14 fiscal year, which ran from May 1, 2013 to April 30, 2014. Highlights and achievements for the entire term of the strategic plan from 2009-14 are also included. The performance measurement framework uses measures that enable the University to achieve its long-term goals, thereby enhancing the University's accountability to government, its partners, and the communities it serves.

Performance measurement framework

Students study nursing in Swift Current through the Saskatchewan Collaborative Bachelor of Science in Nursing program. *Photo: U of R Photography*

A performance measurement framework is a critical tool for an institution to measure progress in achieving the goals of its strategic plan. The University of Regina developed a performance measurement framework in 2011 and has used it to report on progress in accomplishing the goals laid out in its five-year strategic plan: ***mâmawohkamâtowin: Our Work, Our People, Our Communities***. The word ***mâmawohkamâtowin*** is Cree for "cooperation; working together towards common goals." The priorities identified in each of the three cornerstones of the plan – "Our Work," "Our People" and "Our Communities" – have guided activities for all at the University, which has led to the accomplishments in this fiscal year and since the start of the current strategic planning cycle.

Our work

This section of the strategic plan supports the University's commitment to the pursuit of excellence in teaching, research and public service. The University aims to enhance its distinctive programming and research profile, take a programmatic approach to distributed teaching and learning, and at the same time put sustainability at the core of teaching, research, and campus life. These objectives promote student satisfaction in their learning experience and support student retention and graduate student enrolment growth on campus.

The University set ambitious targets for 2013-14, and most were met or surpassed. Most impressive is the growth recorded in the total number of students registered, the number of graduate students, the number of credit hours taught, and the number of students participating in online or televised courses. This growth was achieved with little to no change in energy consumption or the administration and external relations costs per student. Student retention from first to second year – a period when attrition is typically at its highest – was 81.0 percent, slightly lower than the target but stable when compared to previous years, and higher than the retention recorded in 2009 which was 79.8 percent.

The Paul J. Hill School of Business is named "School of the Year" at the JDC West Business Competition. *Photo: Tyler Yuhasz Photography*

In 2013-14, a survey was conducted by CUSC (Canadian University Survey Consortium) of all middle-year undergraduates registered at the University. The percentage of students satisfied with the quality of teaching and their decision to attend the University registered at 84 percent and 86 percent, respectively. As the student experience is foundational to the University's institutional health and reputation, quality of teaching and student satisfaction continues as a focus for the University. The aggressive target set in 2013-14 for research funding was not met. In part, that was because over the last year, the priority for the research portfolio has been to focus internally on strengthening policies and procedures, a goal under the "Our People" section of the strategic plan. With this foundation more firmly in place, the research portfolio for the University is poised for growth. Similar funding targets will be set for 2014-15.

OUR WORK OBJECTIVES:

A.1: Promote and reward the pursuit of excellence in teaching, research, public service and administration. Make the University widely known for excellence.

A.2: Reaffirm our historic commitment to the liberal arts and sciences.

A.3: Align our array of program offerings to respond to the needs and interests of current and prospective students.

A.4: Enhance the University's distinctive programming and research profile. Capitalize on research successes to benefit the institution, researchers and our students.

A.5: Make the University a leader in environmental responsibility. Put sustainability at the core of our teaching, research, and campus life.

A.6: Take a programmatic approach to distributed teaching and learning.

Measures	April 30, 2012 result	April 30, 2013 result	April 30, 2014 target	April 30, 2014 result
Percentage of students satisfied with the quality of teaching *Data not comparable from one year to the next as survey demographic changes annually*	90% *graduating stude*	87% *first-year students*	– *	84% *middle-year undergraduates*
Percentage of students satisfied with their decision to attend the University *Data not comparable from one year to the next as survey demographic changes annually*	90% *graduating students*	93% *first-year students*	– *	86% *middle-year undergraduates*
Research revenue	$22.9M	$20.7M	$24.1M	$18.0M
Annual credit hours taught in the faculties of Arts, Science and Fine Arts (including the federated colleges)	157,160	156,428	161,000	156,214
Number of credit hours taught at the University of Regina proper	222,087	222,915	232,000	240,800
Total student enrolment	12,877	13,115	13,521	13,586
Student retention - 1st year to 2nd year	81.9%	80.4%	82.0%	81.0%
Percentage of undergraduate students enrolled in online or televised courses	18%	20%	21%	25%
Number of graduate students	1,576	1,589	1,600	1,636
Energy consumption per square metre of building space	1.52GJ	1.51GJ	1.51GJ	1.52GJ
Energy consumption per FTE student	38.07GJ	36.73GJ	36.73GJ	35.30GJ
Administration and external relations expenditure per FTE student	$2,849	$2,761	$2,800	N/A[1]

*Target not set because CUSC changes the survey demographic annually.

[1]Values of N/A are reported when data is unavailable at time of publishing the annual report. This value is published in the fall.

Our people

Highlights 2013-14

University of Regina researchers are awarded more than $2.35 million in funding from the Natural Sciences and Engineering Council (NSERC) of Canada

Dr. Greg Marchildon receives the 2013 Achievement Award from the Saskatchewan Health Research Foundation for his significant contributions to health research and to the creation of a supportive research environment in Saskatchewan

Michelle Gagnon, second-year doctoral student in the Department of Psychology, receives the Vanier Canadian Graduate Scholarship to further her research in psychosocial and health behaviour

Our people are essential in helping the University meet its goals and objectives. Over the five-year span of our current strategic plan, the University has focused on strategic priorities of engagement, diversity, success and esteem. This key pillar of the University's strategic plan has resulted in a campus that is more diverse than ever, with increasing participation rates of students from Saskatchewan's First Nations and Métis communities as well as students from around the world.

The University strives to build a friendly, diverse, safe, and tolerant campus for students and employees by enhancing accessibility and flexibility. At the same time, the University endeavours to increase administrative efficiency and enhance productivity.

In 2013-14, the University continued to show strong and positive results. The number of self-declared Aboriginal students now registered is 1,487, up 41 percent since 2009, with growth recorded in every year over the course of this strategic planning cycle. The number of international students also exceeded the target, with 1,638 students registered representing 103 countries from around the world, a five-year international student increase of 77 percent. The University remains committed to helping student success as demonstrated by the percentage of total operating expenditures devoted to scholarships and bursaries, which grew significantly in the last year to 9.3 percent, exceeding the 7.0 percent target. The number of students registered in the UR Guarantee program, a program started in 2009 to support student retention and student success, grows every year, exceeding its target again this year. The number of self-declared Aboriginal employees has decreased slightly from 3.2 percent to 2.9 percent of the workforce in 2013. With that in mind, Indigenization of the campus continues to be a priority for the University.

Students representing nine faculties put in a hard day's work to support Habitat for Humanity.
Photo: Kelsey Stewart, Habitat for Humanity

OUR PEOPLE OBJECTIVES:

B.1: Build long-term relationships with First Nations and Métis communities.

B.2: Make the transition into university seamless; enhance accessibility and flexibility; expand early-awareness and transitional programming; and ensure that appropriate supports are in place for students with special needs.

B.3: Improve the university experience for students, and foster a stronger campus community and spirit. Provide more scholarship and bursary support. Increase the amount of funding available to both undergraduate and graduate students.

B.4: Increase our administrative efficiency and enhance productivity.

B.5: On a foundation of positive and open employee relations, provide freedom and opportunity for faculty and staff to grow, excel, and be esteemed and recognized.

B.6: Continue to build a friendly, diverse, safe, and tolerant campus. Respect work-life balance and pay particular attention to the marginalized, the vulnerable, and the disadvantaged.

Measures	April 30, 2012 result	April 30, 2013 result	April 30, 2014 target	April 30, 2014 result
Number of self-declared Aboriginal students University-wide	1,152	1,293	1,320	1,487
Number of international students University-wide	1,253	1,366	1,370	1,638
Number of self-declared Aboriginal personnel	50	71	75	59
Average undergraduate student course load (credit hours)	10.9	10.9	11.0	11.1
Percentage of total operating expenditures devoted to scholarships and bursaries	6.4%	6.8%	7.0%	9.3%
Participation rate in the bi-annual employee engagement survey	53%	N/A†	55%	N/A†
Student-to-faculty ratio	18.8	18.9	18.9	18.3
Number of new students enrolled in the UR Guarantee program	398	439	450	459
Number of WCB claims for time lost	19	16	14*	15*
Total WCB lost days	–	–	400*	401*

*This data is reported based on the calendar year. This is the January to December 2013 target and result.
†Values of N/A are reported when data is unavailable at time of publishing the annual report. This value is collected bi-annually.

Our communities

The third pillar of the University's strategic plan supports our commitment to the communities we serve and reinforces the significant role that the University has in enriching and meeting the needs of the city of Regina and the citizens of Saskatchewan. Community outreach is done by the University by emphasizing its presence and partnership regionally, nationally and internationally. Over the last five years, the University has expanded its profile from being a university primarily for the Regina region to one that serves all citizens of our province. The University has broadened its reach and profile, firmly establishing itself as one of Saskatchewan's two provincial universities – offering programs that satisfy students from across the province and indeed around the world. The University continues to seek opportunities to meaningfully engage with Saskatchewan cities, towns, and rural and northern communities, as well as communities in other Canadian provinces and territories.

Bringing students into discussion with mid-career Arts graduates, the "Backpack to Briefcase" informal lunchtime talk was one of many initiatives designed to help students transition into life after graduation. *Photo: U of R Photography*

The key measure of the University's outreach beyond the city of Regina is the percentage of domestic undergraduate students enrolled at the University coming from outside of Regina, but within Canada. In 2009, 47.4 percent of domestic undergraduate students came from outside of Regina. In 2013-14, the target of 53.0 percent was exceeded, resulting in a final total of 53.5 percent, firmly placing the University of Regina as an institution of choice for students beyond the Regina area.

A key objective for the University is the revitalization of the College Avenue campus. It is a campus rich in history, serving 7,400 learners between 6 months and 96 years of age from Regina and beyond. It generated more than $20.6 million in revenue last year, making a significant contribution to the financial health of the University. The key to revitalizing the College Avenue campus is community support, which is demonstrated through fundraising. Total donations and pledges made to the University in 2013-14 reached $9.5 million, exceeding the target set at $9.0 million. These funds support the University in its goal to demonstrate community support for revitalizing College Avenue campus as well as many other initiatives core to the University, such as student support through scholarships and bursaries as well as faculty support through research funding.

OUR COMMUNITY OBJECTIVES:

C.1: Raise the profile and increase the presence of the University regionally, nationally, and internationally. Promote community involvement of University personnel by redoubling our efforts to showcase the pursuit of excellence in teaching, research, and administration.

C.2: Enhance collaboration with and between First Nations University of Canada, Campion and Luther Colleges, the Institut français, and the Gabriel Dumont Institute.

C.3: Engage in educational, research, and human resource development partnerships with other educational entities, businesses, professions, and community groups.

Measures	April 30, 2012 result	April 30, 2013 result	April 30, 2014 target	April 30, 2014 result
Ranking in research money	36	32	28	N/A[‡]
The number of alumni involved with the University of Regina	16,985	15,417	17,834	13,580
Donations (cash and pledges) to the University	$7.3M*	$8.5M	$9.0M	$9.5M
Percent of domestic undergraduate students enrolled at the University who come from outside of Regina but within Canada	51.0%	52.1%	53.0%	53.5%

*Excluding donations to College Avenue campus revitalization

‡Values of N/A are reported when data is unavailable at time of publishing the annual report. This value is available in the fall.

Enterprise risk management

Highlights 2013-14

In 2013, Co-op program students earned $9.7 million in wages, and gained relevant experience

Lloyd Barber Summit on Aboriginal Post-Secondary Education held at the University of Regina

Biology Professor and Canada Research Chair Dr. Christopher Somers receives a funding renewal of $500,000

Process

Enterprise risk management (ERM) at the University of Regina is a systematic approach to identify, assess and manage risks that potentially hinder the achievement of the University's strategic, operational and financial objectives. During the 2013-14 fiscal year, the office of ERM advanced the implementation of an ERM process, further embedding it into the culture of the University. The ERM office identified potential events that could have an impact in the areas of academics, research, administration and student affairs. Working closely with academic and administrative units, the ERM office conducted a thorough risk assessment. It identified appropriate and relevant risk mitigation measures that are in place and others that are under development.

The primary function of the ERM office is the coordination of the appropriate risk identification, assessment and mitigation strategies. The ERM office provides strategic guidance and advice to University leadership and members of the University community, helping them to mitigate risk and embrace opportunities in order to support the University in achieving its vision and mission.

As in past years, the University identified 10 primary risks as priorities through the ERM process. These primary risks for 2013-14 are outlined below.

Primary risks and management strategies

Funding

The University requires adequate funding to support increasing numbers of students and to keep up with inflationary pressures. The Saskatchewan Universities Funding Model provides some stability and predictability for funding from the Provincial Government; however, with tighter fiscal constraints, the public and post-secondary sectors across Canada are being challenged to find other sources of revenue while continuing to deliver services economically.

To mitigate the likelihood of funding shortages, the University has developed and completed the following initiatives:

- Participated in planning for a review of the Saskatchewan Universities Funding Model;
- Developed new academic programs in areas such as Nursing and Health Administration, while substantially revising and refreshing programs such as the Master of Business Administration degree;
- Completed the Academic Program Review, established a schedule of administrative reviews, and considered business process improvements to reduce and/or reallocate operating costs using LEAN methodology;

- Continued to lobby for funding from various sources; and,
- Strengthened donor support for the University.

Student recruitment and retention

Student recruitment and retention has a growing, positive impact on the University's finances through tuition revenue and, indirectly, through the Government's contribution to the institution's operating grant. The University has invested significant time and effort in addressing student recruitment and retention, strategically emphasizing the recruitment of students of Aboriginal ancestry, as well as international and graduate students. The University has achieved gains in student recruitment and retention through improved admission procedures, strategic advertising, international outreach, expansion of the Aboriginal Student Centre, and enhanced student support. In addition, the Aboriginal student population has been further supported by work toward Indigenization of the campus and a continuing effort to Indigenize curricula across the faculties. Also supporting the University's student recruitment and retention efforts is the construction of new student housing and daycare facilities, a project well underway and projected to be complete in fall 2015.

Highlights 2013-14

University of Regina moves up to 8th place out of 15 in the comprehensive university category of the Maclean's Magazine university rankings

University of Regina and SIAST sign a memorandum to offer the Collaborative Nurse Practitioner Program for a Master of Nursing degree

The Levene Graduate School of Business at the University launches the new Levene MBA, providing the opportunity to specialize in International Business or Engineering Management

Policy compliance

Failure to comply with University and grant providers' policies affects the reputation of the University, which may in turn impact the institution's funding. The University has undertaken a project to update current policies and address policy gaps, ensuring employees are able to make decisions that align with the University's strategic plan and regulatory environment. Newly approved policies have been communicated to employees through a new policy framework and a redesigned website.

Research growth management

As the portfolios of the University's research grow, it is critical that policies and procedures are in place to manage research funds and agreements, and that appropriate communication strategies are implemented. A task force has been established to update the policies, procedures and processes of the research unit.

Strategic communication

Failing to effectively and widely communicate major milestones regarding developing issues important to the University and government could expose the University to a relationship management risk. More structured and regularized communication protocols with government have been implemented. The University is currently revamping its communication protocols and developing issues-management strategies.

Employee (faculty and staff) engagement and satisfaction

The contributions of our people determine whether or not we realize the goals and objectives of our institution. Continued positive engagement impacts performance, productivity and retention of faculty and staff. The University executive communicates with employees at all levels through town hall meetings, monthly coffee

meetings with the President, monthly email messages from the President to all employees, and Council and Executive of Council meetings. In addition, the strategic plan facilitation team is soliciting input from faculty and staff with respect to the strategic objectives of the University. The University leadership continues to work within their respective units to sustain employee engagement results from the 2012 engagement survey, build on areas of strength, and address areas that need improvement.

Highlights 2013-14

University of Regina hosts CIS Women's Volleyball National Championships

New residence and daycare construction is well underway with facility scheduled to open in fall 2015

University of Regina welcomes 100 students from Brazil as part of the Science Without Borders program, a joint initiative between the governments of Canada and Brazil

Records management

Managing records and information inconsistently across the University, as well as the absence of a digital preservation plan, could impact the efficiency and effectiveness of the University's operation. Department-specific procedures and processes for naming records, as well as retention schedules, are now under development.

Information technology infrastructure and data security

The University's information technology system, which includes databases, is vulnerable to hacking or other breaches of security. The system is also challenged by the constant need to innovate, implement, and update technology at a rate that maintains or improves the University's competitive position relative to other post-secondary educational institutions and satisfies the needs of the University community.

Strategic partnership

The success of First Nations University of Canada affects the University of Regina's reputation. To ensure First Nations University of Canada's success, the University continued to commit resources to meeting its obligation under the Administrative Services Contract.

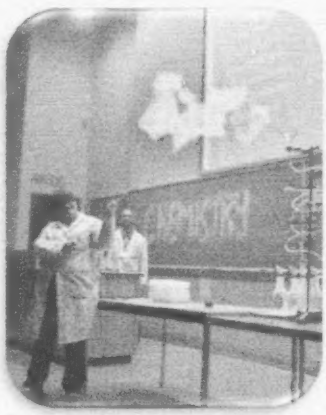
Fundraising

The revitalization of the College Avenue campus has been one of the main objectives of the University. Continuous effort is being made to raise funds towards the revitalization project. Inadequate donations and fundraising could negatively impact this project.

Finances

Environment overview

Most Canadian universities experienced significant financial challenges again in 2013-14 as the result of static – or even reduced – government funding, and other factors including constraints on tuition increases, changes in enrolment levels, low interest rates, and/or pension liabilities. In this context, the University of Regina has managed its challenges prudently and effectively.



Erika Smith pops a hydrogen balloon at the Magic Chemistry Show.
Photo: Nicole Lintott

Enrolment

Now at an all-time high, enrolment increased for the fifth consecutive year, with fall and winter course registrations up by more than 3 percent and spring/summer up by 5 percent. The University's population of self-declared Aboriginal students grew by 15 percent, to comprise 11 percent of the student body. International student enrolments rose by 20 percent to 12 percent of all students.

Operating Budget

The Government of Saskatchewan provided a 1.9 percent increase in its operating grant to the University for on-going activities. Additional funding was provided for the continued roll-out of the Saskatchewan Collaborative Bachelor of Science in Nursing program. Undergraduate tuition rates were increased for all programs by an average of 4.4 percent.

Budget reductions of 3 percent or more were required from almost all budget units for a total budget reduction across the University of $3.5 million. These reductions resulted in a 19th consecutive balanced operating budget with a total of $1.7 million of re-investments in priority areas.

Five-Year Highlights 2009-14

Campus-wide enrolment up by 14% to an all-time high of 13,600

Graduate enrolment up 11.5% to 1,636

Total international enrolments up 77% to 1,638

Graduate international numbers up 95%; international students are now 30% of all graduate registrations

Self-declared Aboriginal students up 40% to 1,487 – now 11% of all campus registrations

The operating fund ended 2013-14 with a deficit of $70,000 after providing funding to support a number of one-time initiatives and opportunities. Targeted projects included:

- Funding for the one-time payouts related to the 51 individuals who accepted the University's Voluntary Incentive Plan for Retirement;
- Sustaining capital projects;
- College Avenue campus revitalization project;
- Replacement of management information system in Facilities Management; and,
- University marketing initiatives.

Academics and student support

New allocations to faculties in the operating budget totalled $538,000, not including funding for the incremental costs of the third year of the Saskatchewan Collaborative Bachelor of Science in Nursing program, offered in collaboration with the Saskatchewan Institute of Applied Science and Technology (SIAST). Faculties experiencing the greatest enrolment pressures were allocated, in total, five additional faculty positions and four support staff positions. Support for research activities was increased by $238,000. An additional $100,000 was allocated to UR International to serve the international student population. The Centre for Continuing Education received $60,000 to supplement its Distributed Learning Fund and address the large growth in online and televised course enrolments. The Centre for Teaching and Learning received a total of $31,000 in new funding to support Teaching Awards and the President's Teaching and Learning Scholars Program.

Mitigating the effect of tuition increases

The total of undergraduate tuition and fees (the "bottom line" paid by undergraduates) at the University of Regina is still among the lowest in the country. For 2013-14 only 11 of nearly 60 English-language universities in Canada had a total tuition and mandatory fee package for an undergraduate Arts student that was more than 5 percent below the total tuition and fees at the University of Regina.

The University's 2013-14 operating budget included more than $6 million in scholarship funding. This 40 percent increase from the 2012-13 budget reflected new funding from the Saskatchewan Advantage Scholarship program and the Saskatchewan Innovation and Opportunity Scholarships, as well as additional allocations from the University's funds. This amount offset 10 percent of the tuition and fee revenue in the University's operating budget.

In addition, more than $2.5 million in scholarships from the University's trust and endowment funds was available to students.

For most graduate programs, tuition increased by 10 percent in 2013-14. The surcharge for international graduate students increased from $800 to $1,000 per semester.

Even with these increases, graduate tuition at the University of Regina remained among the lowest in the country. Only five Canadian universities have lower Master of Arts fees and seven have lower PhD fees. Fees for a year of graduate studies at other universities (e.g. Concordia, Dalhousie, Waterloo) can be as much as 60 percent higher than the University of Regina's and even 80 to 90 percent higher (e.g. Brock, Laurier, Ottawa). However, the University of Regina's graduate financial support, whether scholarships, bursaries, or teaching and research assistantships, lags behind that of many competitor universities. This is an historical phenomenon that the University will begin to address in the 2014-15 operating budget.

Five-Year Highlights 2009-14

Total donation value of $32,774,302 was raised through 10,905 one-time gifts and 657 pledges

Total value of gifts received has risen 75.5% – excluding values-in-kind, the increase is 54.9%

96.7% increase in new multi-year pledge commitments

UR Guarantee initiated in 2009 now has 1,396 students enrolled

Faculty of Nursing began operations in 2010 and has 944 students enrolled

Capital funding

The University's 2013-14 capital expenditure budget of $39.9 million included $32.3 million for the student housing/child care/parkade project (of which $5.5 million was provided by the province in 2013-14), $1.6 million for other major capital projects, $1.7 million for plant renovations and adaptations (down from $2.35 million in the previous year), $0.8 million for equipment replacement, and $3.3 million for debt repayment related to recent capital projects.

Provincial government funding for sustaining capital was reduced by 25 percent (i.e. $1.3 million) compared to 2012-13. The University's challenge is to provide, to the greatest possible extent, for the continued replacement of teaching and other essential equipment and furnishings, as well as capital renovation projects, all of which require additional funding. The level of funding for sustaining capital has decreased to the point where signs of deferred maintenance are becoming obvious. In particular, leaking roofs are causing structural damage and increasing maintenance costs. This shortfall is a major concern.

The cost of the Evergreen program to maintain desktop computers in faculty and staff offices ($350,000 in 2013-14), was funded in the operating budget of Information Services, a transfer from the sustaining capital budget, to reduce the pressure on sustaining capital funds.

Strategic partnership

On April 1, 2011, the University of Regina entered into a three-year Administrative Services Contract with First Nations University of Canada, one of its federated colleges, whereby the University of Regina provided financial administration and management advice. During 2013-14, the final year of the agreement, First Nations University of Canada moved forward in a number of areas, and the University of Regina continued to work with its Executive Team and Board of Governors to enhance governance and management capacity.

Pensions

Many Canadian universities and other public institutions continue to struggle with pension shortfalls and their impact on operating budgets. Through sound financial management over the years, the University of Regina pension plans have not had a significant impact on the University's operating budget. The University's two plans (the Academic and Administrative Group and the Non-Academic Group) filed actuarial valuations for the year ending December 31, 2012 with the Saskatchewan Superintendent of Pensions. Both plans had neutral going-concern positions once the Non-Academic Plan's matched contribution rates were increased to 8.75 percent and the University contributed an additional 2.18 percent until 2022 or until a subsequent valuation deems the additional contribution unnecessary. New actuarial valuations for both plans will be completed and filed with the Superintendent of Pensions by September 30, 2016.

The accounting valuations of the pension plans use a different actuarial valuation basis than the going-concern valuations. For April 30, 2014, this resulted in the financial statements showing a defined benefit pension expense of $(0.51) million, an accrued pension benefit liability of $2.56 million and an accrued pension benefit asset of $9.08 million (note 12 to the financial statements). Pension expense can fluctuate significantly from year to year. For example, the defined benefit pension expense was $6.20 million, $5.80 million, $13.47 million, $6.17 million, $17.48 million, $10.67 million, and $(14.6) million for the years ending April 30, 2013, 2012 (restated), 2011, 2010, 2009, 2008 and 2007, respectively.

Ancillaries

The new food services contractor that began operations in 2011-12 continued to produce much-improved financial results. The University of Regina's residences were fully occupied. In 2012-13, the provincial government announced approval of a capital project at the University to add 605 residence rooms and 90 childcare spaces. The government is contributing $10 million for this project from SaskHousing, and is contributing $1.38 million for 90 childcare spaces from the Ministry of Education. The University is hopeful that additional funding will be provided in the 2015-16 provincial budget. The completion of the project has a planned occupancy date of September 1, 2015.

Financial highlights

In 2013-14, the University recorded revenues of $263,836,000, expenses of $241,372,000 and an overall net change in fund balance of $22,464,000 to create an overall positive fund balance for the University of $267,932,000.

Comprising the General Fund are the Operating Fund, Vacation Pay and Pension Accrual Fund, Ancillary Fund, and Special Projects Fund. The Restricted Fund is comprised of the Capital Asset Fund, Research Fund and Trust Fund.

The Operating Fund net decrease in fund balance for the year of $(70,000) brought the total unrestricted accumulated Operating Fund balance to $2,588,000. Restricted fund balances include $35,074,000 permanently restricted in the Endowment Fund, $72,573,000 temporarily externally restricted, and $141,139,000 invested in Capital Assets.

Operating Fund

Within the General Fund, management focuses much of its time on budgeting and monitoring the Operating Fund to ensure that the University continues to be a strong, effective organization, pursuing the goals of its strategic plan.

Provincial operating funding for 2013-14 of $106,170,000 (including flow-through scholarship funding of $2.5 million) represented approximately 55 percent of the University's Operating Fund revenue (down from 58 percent the previous year). Students' tuition and fees comprised 35 percent of operating fund revenue.

Table 1 provides the financial results of the Operating Fund regrouped to be comparable to the University's method of budgeting. The presentation of these results does not follow generally accepted accounting principles (GAAP) as published by the Chartered Professional Accountants of Canada in that transfers and internal recoveries are treated as revenues in the budget, while in the audited financial statements, internal recoveries are netted against expenses and transfers appear below the net revenues (expenses) line. Non-GAAP measures are relevant for internal budgeting purposes because the use of funds by a unit represents an expenditure of that unit regardless of whether the funds are paid to an external party or to an internal University unit such as Printing Services or the Bookstore.

The Net Operating Position in Table 1 equals the audited net increase in fund balance for the Operating Fund, as found in Statement 4 of the University's financial statements.

The budget shown in Table 1 differs from the Operating Fund budget disclosed in Note 21 – Budget Versus Actual for 2014 in the financial statements as it includes budget adjustments made during the year. Also, the budget amounts in Note 21 have been regrouped to be comparable to the audited financial statements.

Table 1. Operating Fund results ($000)

	2012-13 Actual (restated - see financial stmt Note 25)	2013-14 Actual	Variance	% Change	2013-14 Budget	2013-14 Actual	Variance	% Change
REVENUES								
Government Grants	$ 105,566	$ 109,550	$ 3,984	3.77%	$ 109,478	$ 109,550	$ 72	0.07%
Student Fees	58,546	66,093	7,547	12.89%	64,017	66,093	2,076	3.24%
Other Income	782	708	(74)	-9.46%	722	708	(14)	-1.94%
Transfers	2,267	1,936	(331)	-14.60%	2,117	1,936	(181)	-8.55%
Total Non-grant Revenue	61,595	68,737	7,142	11.60%	66,856	68,737	1,881	2.81%
Operating Recoveries	17,090	17,189	99	0.58%	14,077	17,189	3,112	22.11%
Total Revenues	184,251	195,476	11,225		190,411	195,476	5,065	
EXPENSES								
Salaries and Benefits	131,223	144,522	13,299	10.13%	142,004	144,522	2,518	1.77%
Utilities	7,131	7,361	230	3.23%	7,290	7,361	71	0.97%
Other Expenses	44,855	43,663	(1,192)	-2.66%	41,117	43,663	2,546	6.19%
Total Expenses	183,209	195,546	12,337	6.73%	190,411	195,546	5,135	2.70%
Net Operating Position	$ 1,042	$ (70)	$ (1,112)		$ -	$ (70)	$ (70)	

2013-14 actual compared to 2012-13 actual

Government grants: The total government grants increased by approximately 3.8 percent. Of this increase, $0.8 million was for the continued rollout of the nursing program, and $0.7 million was for the second year of implementation of the Saskatchewan Advantage Scholarship program, the funds of which were fully distributed to students.

Tuition and fees: The combination of tuition and fee rate increases and enrolment increases resulted in a 12.9 percent increase in student fees revenue, or $7.5 million.

Operating recoveries: Increased recoveries, largely due to more teaching in the Centre for Continuing Education, resulted in an increase of 0.6 percent, or $0.1 million.

Salaries and benefits: The total cost of employee remuneration and benefits (including cost of living adjustments, career growth increments, and merit and performance pay), along with the voluntary incentive plan for retirement, as well as additional positions for the nursing program and to meet other growth requirements, resulted in a total increase of 10.1 percent, or $13.3 million.

Utilities: Commodity cost increases resulted in increased utility costs. As a result, expenditures on utilities increased by 3.2 percent, or $0.2 million.

Other expenditures: In the prior year, the General Operating fund provided one-time funding of $3.1 million for a variety of projects including the Gateway project, IS security firewall upgrades, and to help fund possible pension deficits. In the current year, inflation in the remaining areas of University operations plus increased activities in areas such as Nursing, the Centre for Continuing Education and student awards resulted in an overall decrease in general expenditures of 2.7 percent, or $1.2 million.

2013-14 actual compared to 2013-14 budget

Student fees exceeded budget by $2.1 million, and operating recoveries exceeded budget by $3.1 million. This was offset by salaries and benefits exceeding budget by $2.5 million and other expenses exceeding budget by $2.5 million. These variances are due to four primary factors:

- There was higher-than-expected student enrolment, with a higher percentage being international students;
- Each year, Facilities Management incurs utility costs which are recorded as "other expenses." These are then billed back to external entities such as the federated colleges and Research Park, and recorded as "operating recoveries;"
- During the year, budgeted amounts for salary provision were included in "other expenses." These are reallocated to "salaries and benefits" as salary increases are awarded based on negotiated collective agreements; and,
- The Centre for Continuing Education had higher-than-budgeted activity levels, which resulted in increases in operating recoveries, salaries and benefits, and other expenses.

Ancillary Fund

In 2013-14, the Ancillary Fund lost $36,000 compared to a budgeted loss of $158,000.

Parking Services: Parking Services' revenues increased as the result of the increase in enrolments and a new parking lot in full operation. However, one lot was taken out of service, due to the construction of the new residence/daycare facility. There was also some concrete maintenance work that was completed in the Centre for Kinesiology and Health Studies Parkade.

Bookstore: The shortfall in the Bookstore was caused by decreased sales of used books, sundries and clothing.

Printing Services: There was a planned decrease in printing on campus, as a result of the Print Optimization Project. This led to reduced revenues and expenditures for Printing Services.

Residences: The residence offices had a very successful year due in part to record enrolments of students from outside the Regina area, and to a tight rental housing market in the city. For the fall and winter semesters the residences were all full. Occupancy rates for the spring and summer remained below full occupancy due to the policy that guarantees a certain number of rooms to new students in the fall semester. This policy has a beneficial effect on recruiting, but because it means returning students are not guaranteed rooms, students look off campus for rooms as opposed to staying on campus during the spring and summer.

Table 2 provides the financial results of the Ancillary Fund regrouped to be comparable to the Ancillary's method of budgeting. The presentation of these results does not follow generally accepted accounting principles as

published by the Chartered Professional Accountants of Canada in that certain transfers in are treated as revenues, while certain transfers out are treated as expenses. The Total Ancillaries Actual Net Position in Table 2 equals the audited net decrease in fund balance for the Ancillary Fund, as found in Statement 4 of the University's financial statements.

The Total Ancillaries Revenue and Expense Budget figures shown in Table 2 differ from the Ancillary Fund budget disclosed in Note 21 – Budget Versus Actual for 2014 in the financial statements because the budget amounts in Note 21 have been regrouped to be comparable to the audited financial statements.

Table 2. Ancillary Fund results ($000)

	2013-14 BUDGET			2013-14 ACTUALS			VARIANCE		
	Revenues	Expenses	Net position	Revenues	Expenses	Net position	Revenues	Expenses	Net position
Parking Services	$ 2,500	$ 2,500	$ -	$ 2,860	$ 2,856	$ 4	$ 360	$ (356)	$ 4
Bookstore	5,936	5,698	238	5,613	5,520	93	(323)	178	(145)
Printing Services	1,276	1,276	-	1,110	1,162	(52)	(166)	114	(52)
Food Services	717	465	252	1,003	879	124	286	(414)	(128)
Leased Space	43	8	35	49	3	46	6	5	11
Total Before Residences	10,472	9,947	525	10,635	10,420	215	163	(473)	(310)
Residences	6,662	7,345	(683)	6,923	7,174	(251)	261	171	432
Total Ancillaries	$ 17,134	$ 17,292	$ (158)	$ 17,558	$ 17,594	$ (36)	$ 424	$ (302)	$ 122

Looking forward

New residence buildings *Photo: Robert Huber, External Relations*

At the close of *mâmawohkamâtowin: Our Work, Our People, Our Communities*, the University of Regina has moved forward in exciting and necessary ways. The University has new programming, new research successes, greater diversity of students, greater responsiveness to student needs, an expanding campus, and a much-improved range of scholarships and bursaries. Forty years after becoming an independent degree-granting institution, the University of Regina has truly come into its own as a fully fledged comprehensive university attracting students from across the province, throughout Canada, and indeed around the world.

The University has accomplished this while facing, as have postsecondary institutions across the country, sharp fiscal and demographic challenges. To address these challenges and position the institution for further essential contributions to our students, our communities, and our province, the Board of Governors initiated a process leading to the University's next strategic plan, which will take the University forward from 2015 to 2020. A facilitation team that reflects the diversity of disciplines and thought at our University has been working throughout the first half of 2014 to gather input for the new plan. That new plan, as yet unnamed and still in

preparation, will succeed *mâmawohkamâtowin: Our Work, Our People, Our Communities*, and will frame our teaching, research, and community service directions for the next five years.

At the same time, the University continues to develop its academic program offerings to meet the learning needs of a rapidly changing province. For example, this fall will see the launch of a fully online Master's program for nurse practitioners, allowing students to complete their graduate education while remaining in their communities and with their families. Like the Master's degree in Health Administration launched last fall by the Johnson-Shoyama Graduate School of Public Policy, the new Master's degree from the Faculty of Nursing will ultimately improve health care outcomes across the province, especially in rural, isolated, and northern communities.

The University's engagement with the international community will continue to create opportunities for both the University and the province, while at the same time contributing to diversification of the student population. On the main campus, a new 605-bed residence building will be ready for occupancy in 2015.

The University of Regina is a different and better institution than it was in 2009. It is larger, more diverse, more prominent, and more responsive to students. With the adoption this fall of a new strategic plan, we are confident that in 2020 we will look back to 2014 and say that this University has continued to enrich the lives of its students, its communities, and the entire province, and has done so in the spirit of its founding motto – "As One Who Serves."

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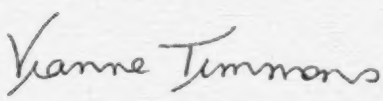
Statement of management responsibility

The University is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian accounting standards for not-for-profit organizations, as published by the Chartered Professional Accountants Canada (CPA Canada). The University believes the financial statements present fairly the University's financial position as at April 30, 2014 and the results of its operations for the year then ended.

The University's Board of Governors is responsible for overseeing the business affairs of the University and also has the responsibility for approving the financial statements. The Board has delegated certain of the responsibilities to its Audit and Risk Management Committee, including the responsibility for reviewing the annual financial statements and meeting with management and the Provincial Auditor of Saskatchewan on matters relating to the financial process. The Provincial Auditor has full access to the Audit and Risk Management Committee with or without the presence of management.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the financial statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly guarded against unauthorized use and that reliable records are maintained. The Provincial Auditor of Saskatchewan reports to the Board as to the adequacy of these controls.

The financial statements for the year ended April 30, 2014 have been reported on by the Provincial Auditor of Saskatchewan, the auditor appointed under *The University of Regina Act*. The Auditor's Report on the following page outlines the scope of her examination and provides her opinion on the fairness of presentation of the information in the financial statements.



Vianne Timmons
President and Vice-Chancellor

David B. Button
Vice-President (Administration)

Regina, Saskatchewan
July 22, 2014

Independent Auditor's Report

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the University of Regina, which comprise the statement of financial position as at April 30, 2014, and the statements of operations and changes in fund balances and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

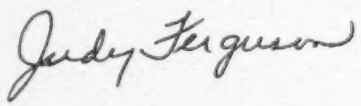
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the University of Regina as at April 30, 2014, and the results of its operations and changes in fund balances and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Regina, Saskatchewan
July 22, 2014

Judy Ferguson, FCA
Acting Provincial Auditor

Statement of Financial Position

For the Year Ended April 30, 2014 **Statement 1**

	April 30, 2014 (000's)	April 30, 2013 (000's) (Restated - Note 25)
Current Assets		
Cash (Note 3)	$ 10,137	$ 3,495
Accounts receivable (Note 4)	25,886	21,354
Inventories	1,955	1,979
Prepaid expenses	2,871	2,802
Short-term investments (Note 5)	50,020	11,818
Risk management asset (Note 9)	209	-
	91,078	41,448
Long-Term Assets		
Long-term investments (Note 5)	106,234	95,601
Long-term loans receivable	-	55
Accrued pension benefit asset (Note 12)	9,076	10,288
Capital assets (Note 6)		
Tangible assets	248,065	219,222
Intangible assets	636	430
	364,011	325,596
	$ 455,089	$ 367,044
Current Liabilities		
Accounts payable and other accrued liabilities (Note 8)	$ 33,085	$ 24,619
Deferred income	1,376	1,474
Deferred contributions	605	-
Current portion of long-term debt (Note 10)	115,757	55,260
Risk management liability (Note 9)	14,069	14,674
	164,892	96,027
Long-Term Liabilities		
Long-term debt (Note 10)	1,091	1,210
Accrual for employee future benefits (Note 12)	20,209	23,363
Asset retirement obligation (Note 13)	215	206
Indemnity Deposit (Note 22)	750	770
	22,265	25,549
Fund Balances		
Maintained permanently as endowments	35,074	30,603
Externally restricted funds	72,573	50,556
Invested in capital assets	141,139	150,139
Internally restricted funds (Note 14)	9,687	9,445
Unrestricted funds	9,459	4,725
	267,932	245,468
	$ 455,089	$ 367,044

Approved by the Board of Governors

Chair, Board of Governors

Chair, Audit & Risk Management Committee

The accompanying notes are an integral part of these financial statements.

Statement of Operations and Changes in Fund Balances

For the Year Ended April 30, 2014

Statement 2

	General (000's)	Restricted (000's)	Endowment (000's) (Note 21)	Total (000's)	Total 2013 (000's) (Restated - Note 25)
Revenues					
Grants and contracts					
Government of Canada	$ 1,913	$ 12,450	$ -	$ 14,363	$ 13,413
Government of Saskatchewan (Note 22)	107,031	15,141	-	122,172	113,757
Other	852	3,130	-	3,982	6,103
Student fees	65,974	4	-	65,978	58,418
Contributions, gifts, donations and bequests	922	9,471	577	10,970	11,284
Sales of services and products	30,765	868	-	31,633	29,773
Investment income and unrealized gain (Note 16)	1,181	7,953	3,569	12,703	8,676
Miscellaneous income	1,922	113	-	2,035	1,997
	210,560	49,130	4,146	263,836	243,421
Expenses **(Note 19)**					
Salaries	130,666	3,937	-	134,603	123,264
Employee benefits (Note 17)	17,660	331	-	17,991	22,921
Operational supplies and expenses	15,619	2,896	-	18,515	18,016
Travel	3,632	1,541	-	5,173	5,338
Cost of goods sold	3,215	-	-	3,215	3,199
Equipment, rental, maintenance & renovations	8,783	1,986	-	10,769	10,366
Utilities	7,351	29	-	7,380	7,119
Amortization of capital assets	416	15,289	-	15,705	15,876
Loss on disposal of capital assets	-	341	-	341	286
Scholarships, bursaries, prizes, grants	8,668	13,968	-	22,636	21,270
Interest and unrealized loss (Note 18)	1,981	1,914	-	3,895	3,704
Wascana Centre Authority levy (Note 22)	820	-	-	820	775
Bad debt expense	326	3	-	329	79
	199,137	42,235	-	241,372	232,213
Excess of revenues over expenses	11,423	6,895	4,146	22,464	11,208
Interfund transfers (Note 20)	(6,689)	6,364	325	-	-
Net increase in fund balances for year	4,734	13,259	4,471	22,464	11,208
Fund balances, beginning of year	4,725	210,140	30,603	245,468	234,260
Fund balances, end of year	$ 9,459	$ 223,399	$ 35,074	$ 267,932	$ 245,468

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended April 30, 2014 **Statement 3**

	General (000's)	Restricted (000's)	Endowment (000's)	Total (000's)	Total 2013 (000's) (Restated - Note 25)
Operating Activities					
Excess of revenues over expenses	$ 11,423	$ 6,895	$ 4,146	$ 22,464	$ 11,208
Add back items not affecting cash:					
Amortization of capital assets	416	15,289	-	15,705	15,876
Accretion of asset retirement obligation	-	9	-	9	9
Change in unrealized gain/loss on investments	-	(3,359)	(3,099)	(6,458)	(2,458)
Change in unrealized loss on risk management liability	(1,016)	202	-	(814)	(625)
Change in unrealized foreign exchange gain/loss	-	(1,086)	-	(1,086)	(173)
Loss on disposal of capital assets	-	341	-	341	286
Less contributions for endowment and asset purchases	-	(2,337)	(577)	(2,914)	(3,148)
(Increase) decrease in non-cash working capital	(2,598)	6,945	-	4,347	(186)
Change in accrued pension benefit asset/liability	(3,406)	-	-	(3,406)	3,488
Change in non-pension accrual for employee future benefits	1,464	-	-	1,464	1,612
Cash generated by operating activities	6,283	22,899	470	29,652	25,889
Investing Activities					
Purchases of investments	(40,806)	(94,471)	(2,402)	(137,679)	(147,130)
Sales of investments	40,788	54,571	1,030	96,389	133,687
Purchases of capital assets:					
Buildings	(43)	(36,139)	-	(36,182)	(6,354)
Site improvements	-	(2,019)	-	(2,019)	(2,108)
Furnishings and equipment	(1,749)	(4,109)	-	(5,858)	(5,323)
Software	-	(319)	-	(319)	(34)
Library resources	(718)	-	-	(718)	(751)
Leasehold improvements	-	-	-	-	(254)
Cash used in investing activities	(2,528)	(82,486)	(1,372)	(86,386)	(28,297)
Financing Activities					
Issuance of long-term debt	-	63,624	-	63,624	-
Repayment of long-term debt	-	(3,246)	-	(3,246)	(2,916)
Repayment of long-term loan receivable	-	105	-	105	99
Issuance of internal loans	(512)	512	-	-	-
Issuance of long-term indemnity deposit	750	-	-	750	11
Repayment of long-term indemnity deposit	(771)	-	-	(771)	-
Contributions of cash for endowments	-	-	577	577	768
Contributions of cash for purchase of assets	-	2,337	-	2,337	2,380
Cash (used in) generated by financing activities	(533)	63,332	577	63,376	342
Net change in cash	3,222	3,745	(325)	6,642	(2,066)
Interfund adjustments	(4,595)	4,270	325	-	-
Cash, beginning of year	29,991	(26,496)	-	3,495	5,561
Cash, end of year	$ 28,618	$ (18,481)	$ -	$ 10,137	$ 3,495

The accompanying notes are an integral part of these financial statements.

Statement of Operations and Changes in Fund Balances – General Fund

For the Year Ended April 30, 2014 **Statement 4**

	Operating (000's) (Note 21)	Vacation Pay and Pension Accrual (000's)	Ancillary (000's) (Note 21)	Special Projects (000's) (Note 21)	Total (000's)	Total 2013 (000's) (Restated - Note 25)
Revenues						
Grants and contracts						
Government of Canada	$ 1,519	$ -	$ -	$ 394	$ 1,913	$ 1,858
Government of Saskatchewan (Note 22)	106,521	-	-	510	107,031	103,700
Other	655	-	-	197	852	1,022
Student fees	65,709	-	-	265	65,974	58,410
Contributions, gifts, donations and bequests	201	-	-	721	922	984
Sales of services and products	11,920	-	15,671	3,174	30,765	29,090
Investment income and unrealized gain (Note 16)	1,181	-	-	-	1,181	1,357
Miscellaneous income	1,588	-	324	10	1,922	1,887
	189,294	-	15,995	5,271	210,560	198,308
Expenses						
Salaries	125,221	-	3,427	2,018	130,666	119,335
Employee benefits (Note 17)	19,326	(2,248)	413	169	17,660	22,591
Operational supplies and expenses	11,512	-	1,970	2,137	15,619	14,973
Travel	2,904	-	18	710	3,632	3,792
Cost of goods sold	541	-	2,674	-	3,215	3,199
Equipment, rental, maintenance & renovations	7,368	-	1,132	283	8,783	7,776
Utilities	6,608	-	737	6	7,351	7,061
Amortization of capital assets	-	-	416	-	416	415
Loss on disposal of capital assets	-	-	-	-	-	-
Scholarships, bursaries, prizes, grants	8,321	-	-	347	8,668	7,287
Interest and unrealized loss (Note 18)	20	-	1,961	-	1,981	2,046
Wascana Centre Authority levy (Note 22)	820	-	-	-	820	775
Bad debt expense	324	-	2	-	326	79
	182,965	(2,248)	12,750	5,670	199,137	189,329
Excess (deficiency) of revenues over expenses	6,329	2,248	3,245	(399)	11,423	8,979
Interfund transfers (Note 20)	(6,399)	-	(3,281)	2,991	(6,689)	(4,236)
Net increase (decrease) in fund balances for year	(70)	2,248	(36)	2,592	4,734	4,743
Fund balances, beginning of year	2,658	(15,376)	(7,122)	24,565	4,725	(18)
Fund balances, end of year	$ 2,588	$ (13,128)	$ (7,158)	$ 27,157	$ 9,459	$ 4,725

The accompanying notes are an integral part of these financial statements.

Statement of Operations and Changes in Fund Balances – Restricted Fund

For the Year Ended April 30, 2014 **Statement 5**

	Capital Asset (000's) (Note 21)	Research (000's) (Note 21)	Trust (000's) (Note 21)	Total (000's)	Total 2013 (000's)
Revenues					
Grants and contracts					
Government of Canada	$ -	$ 11,479	$ 971	$ 12,450	$ 11,555
Government of Saskatchewan (Note 22)	11,993	2,901	247	15,141	10,057
Other	-	3,034	96	3,130	5,081
Student fees	-	4	-	4	8
Contributions, gifts, donations and bequests	126	210	9,135	9,471	9,532
Sales of services and products	370	498	-	868	683
Investment income and unrealized gain (Note 16)	1,539	(123)	6,537	7,953	5,194
Miscellaneous income	-	2	111	113	110
	14,028	18,005	17,097	49,130	42,220
Expenses					
Salaries	1	3,729	207	3,937	3,929
Employee benefits (Note 17)	-	324	7	331	330
Operational supplies and expenses	227	2,520	149	2,896	3,043
Travel	3	1,486	52	1,541	1,546
Equipment, rental, maintenance & renovations	1,429	497	60	1,986	2,590
Utilities	-	29	-	29	58
Amortization of capital assets	15,289	-	-	15,289	15,461
Loss on disposal of capital assets	341	-	-	341	286
Scholarships, bursaries, prizes, grants	-	3,707	10,261	13,968	13,983
Interest and unrealized loss (Note 18)	1,914	-	-	1,914	1,658
Bad debt expense	-	-	3	3	-
	19,204	12,292	10,739	42,235	42,884
(Deficiency) excess of revenues over expenses	(5,176)	5,713	6,358	6,895	(664)
Interfund transfers (Note 20)	12,274	(6,568)	658	6,364	3,974
Net increase (decrease) in fund balances for year	7,098	(855)	7,016	13,259	3,310
Fund balances, beginning of year	156,431	29,320	24,389	210,140	206,830
Fund balances, end of year	$ 163,529	$ 28,465	$ 31,405	$ 223,399	$ 210,140

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Description of Organization

The University of Regina (University) became an autonomous institution on July 1, 1974 by an Act of the Saskatchewan Legislature. Its authority is *The University of Regina Act*, Chapter U-5, of the Province of Saskatchewan. The University is a registered charitable organization under the *Income Tax Act*.

The purpose of the University is the preservation, transmission, interpretation and enhancement of the cultural, scientific and artistic heritage of the human race, and the acquisition and expansion of new knowledge and understanding.

1. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants Canada Handbook – Accounting Standards for Not-for-Profit Organizations. The University's significant accounting policies are as follows:

a) Fund Accounting

The University recognizes contributions in accordance with the restricted fund method. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The Statement of Operations and Changes in Fund Balances shows the total revenues and expenses of the University, after elimination of interfund transactions with ancillaries and internal cost recoveries. The University has classified accounts with similar characteristics into major funds as follows:

The General Fund

The General Fund accounts for the University's program delivery, service and administrative activities. This fund reports unrestricted resources. The General Fund is further classified as Operating, Vacation Pay and Pension Accrual Fund, Ancillary, and Special Projects.

- General – Operating Fund contains the academic, administrative and operational costs that are funded by tuition and related fees, government grants, investment and miscellaneous income, and sales of goods and services to external parties. As such, this Fund reports unrestricted resources and restricted resources earmarked for general operating purposes.
- General – Vacation Pay and Pension Accrual Fund records the amount of unpaid vacation pay for academic and non-academic staff. It also records the accrued pension benefit asset or liability and the pension expense, other than the amount of the pension expense equal to employer contributions, which is recorded in the fund from which it is paid.
- General – Ancillary Fund is composed of Ancillary Enterprises that provide goods and services to the University community. They are composed of the Bookstore, Residence Services, Printing Services, Parking Services, Food Services, automated teller machines and confectionery store. Ancillary Enterprises operate on a fee-for-service basis and must be self-funding. Charges to other University funds are eliminated for financial statement purposes by removing them from Ancillary revenues and expenses.
- General – Special Projects Fund consists of a number of individual funds used to track operating projects' costs and recoveries. These projects involve consulting, training, and time-limited projects.

The Restricted Fund

The Restricted fund reports only restricted resources that are to be used for specific purposes. The Restricted Fund is further classified as Capital Asset, Research, and Trust.

- Restricted – Capital Asset Fund holds all capital assets owned by the University along with the long-term debt on certain of these capital assets.
- Restricted – Research Fund consists of grant and contract income and expenses specifically identified for research or related activities as restricted by granting agencies, research institutes and other public and private organizations, and any amounts internally restricted for research spending.
- Restricted – Trust Fund consists of externally restricted resources that may be used in their entirety within the restrictions established by the provider of the funds. The bulk of these funds are restricted for the provision of scholarships or annual lectures. The Fund also includes amounts internally restricted to be used for future parking facilities.

The Endowment Fund

The Endowment Fund reports resources contributed for endowment. Restrictions placed on the money by the original provider preclude the original donation from being spent.

b) Revenue Recognition

i) Student fees

Student fees are recognized as revenue in the year the related classes are held.

ii) Grants

Operating grants from the provincial government are unrestricted in purpose, and their use corresponds with the government's April to March fiscal year. The University records this revenue in the General Fund proportionately over its fiscal year, as long as amounts can be reasonably estimated and ultimate collection reasonably assured. If amounts received relate to periods after the fiscal year-end, it is considered a restricted contribution recorded in an unrestricted fund, and is therefore recorded as a deferred contribution.

Restricted grants are recorded as revenue in the appropriate restricted fund when received or receivable, as long as amounts can be reasonably estimated and ultimate collection reasonably assured.

iii) Contracts

Revenue from contracts is recorded as the service or contract activity is performed. Contract payments received prior to the service or activity being performed are recorded as revenue in an applicable restricted fund, or as deferred revenue in the General Fund if no applicable restricted fund exists. Although rare, where money is received in advance and where the terms of a restricted contract indicates unspent funds must be returned, any return of this money is netted against contract revenue in the applicable restricted fund.

iv) Gifts, donations, bequests and pledges
Gifts and donations are recorded as revenue in the appropriate fund in the fiscal period in which they are received; however, restricted contributions that do not correspond to any restricted fund are recognized as revenue in the same period(s) as the related expenses. Gifts-in-Kind, including works of art, equipment, investments and library holdings, are recorded at fair market value on the date of their donation.

Pledges and bequests are recorded as contributions in the period when pledged or bequeathed if the amounts to be received can be reasonably estimated and if ultimate collection is reasonably assured. Pledges and bequests of $11,713 (2013 - $9,830) are not included in the financial statements because their ultimate collection cannot be reasonably assured. Pledges of $12 (2013 - $31) are recorded as receivable. Of the prior year's receivable balance, $17 (2013 - $53) was received during the year and $3 (2013 - $0) was written off.

The value of donated services is not recognized in these statements.

v) Sales of services and products
External Sales of services and products are recorded as revenue at the point of sale or provision of services.

vi) Investment income and unrealized gains
Investment income and unrealized gains comprises interest from cash and receivables, interest from fixed income investments, reinvested distributions from index pooled funds, realized gains and losses on the sale of investments, unrealized appreciation and depreciation in the fair value of index pooled funds, and unrealized gains from risk management liability. Revenue is recognized on an accrual basis. Interest on fixed income investments is recognized over the terms of these investments on a time proportion basis.

vii) Miscellaneous income
Miscellaneous income comprises items such as library fines, late payment fees, certain application fees, and other revenue belonging to no other category, and is recorded in the period received or receivable.

c) Tangible and Intangible Capital assets

Purchased capital assets are recorded at cost, which includes any directly attributable costs of preparing the asset for its intended use. Donated assets are reported at fair market value when received by the University. Capitalized assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset Type	Useful Life
Buildings - temporary	20 years
Buildings - permanent	40 years
Building upgrades	5 to 30 years
Site improvements	10 to 40 years
Furnishings and equipment	3 to 30 years
Library resources	10 years
Leasehold improvements	life of lease
Intangible Assets (software)	3 to 8 years

Amortization of Ancillary-owned capital assets is recorded in the General - Ancillary Fund. All other amortization is recorded in the Restricted - Capital Asset Fund.

An estimate for disposals or withdrawals of library holdings for superseded, poor condition, irrelevant, lost or stolen books is calculated at 1.05 percent of the net capitalized value of library holdings at the end of the preceding year.

When a tangible or intangible capital asset no longer has any long-term service potential to the University, the excess of its net carrying amount over any residual value would be recognized as an expense. Such a write-down would not be reversed if the service potential subsequently improved.

Intellectual Property (IP) developed by University researchers can include such things as inventions, computer software, trademarks, literary, artistic, musical or visual works. The University also occasionally develops software for internal operating use. Past history has shown the University will share such software with other universities if asked, but has not sold such items. The University regularly improves its web presence through website development. The University has not recorded any intangible assets related to patents, research and development licenses, or internally developed software and websites as it is unable to measure or determine with any certainty an amount of future economic benefit that might flow to the University from these items and is unable to reliably measure the cost of creating or obtaining such items.

d) Collections

Collections are not capitalized or amortized. All additions to collections are expensed in the year purchased or donated.

e) Inventories

Inventories are valued at the lower of cost and net realizable value which is principally determined by the first in, first out method.

f) Employee future benefits

i) The University uses the immediate recognition approach to account for its defined benefit plans. Under this approach, the University determines the accrued pension benefit asset or accrual for employee future benefits based on April 30 extrapolations of December 31 actuarial valuation reports prepared for funding purposes.

ii) The accrued benefit obligations for pensions and other employee future benefits are actuarially determined using the projected benefit method prorated on services and management's best estimates of expected long-term rate of return on plan assets, retirement age, mortality, discount rates to reflect the time value of money, future salary and benefit levels, inflation and other actuarial assumptions.

iii) For the purposes of calculating the return on plan assets, the market value of assets at April 30 is extrapolated from the December 31 market value based on the long-term rate of return on assets as at April 30.

iv) Past service costs arising from pension plan amendments are recognized in expense in the year of plan amendment.

v) Actuarial gains and losses are recognized in expense in the year such gains or losses are determined. Such gains and losses can arise in a given year from (a) the difference between the actual return on plan assets in that year and the expected return on plan assets for that year, (b) the difference between the actual accrued benefit obligations at the end of the year and the expected accrued benefit obligations at the end of the year and (c) changes in actuarial assumptions.

vi) The cost of the defined contribution plans is expensed as earned by the employees.

vii) The University accounts for the cost of all employee future benefits, severance payouts, early retirement top-ups, dental premiums, disability insurance, retirement bonuses and other compensated absences on an accrual basis.

g) Financial Instruments

i) Measurement of financial instruments

The University initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Financial assets subsequently measured at amortized cost include cash, accounts receivable and fixed income investments.

Financial assets subsequently measured at fair value include interest rate and commodity swap derivatives in a gain position, and shares quoted in an active market. Also, indexed pooled funds and partnership units have been designated by the University to be subsequently measured at fair value.

The University has one financial asset which is an equity instrument subsequently measured at cost less any reduction for impairment, as it is not quoted in an active market.

Financial liabilities subsequently measured at amortized cost include bank overdrafts, accounts payable, accrued liabilities, mortgages, and an indemnity deposit.

Financial liabilities subsequently measured at fair value include interest rate and commodity swap derivatives in a loss position. The University has also designated its banker's acceptance debt to be subsequently measured at fair value.

The fair values of investments in index pooled funds and partnership units are determined by reference to reporting provided by the fund managers. Changes in fair value are recognized in the statements of operations and changes in fund balances in the period incurred.

The fair values of derivative instruments are measured using quotes from the derivatives dealer.

ii) Impairment

Financial assets subsequently measured at cost or amortized cost are assessed for impairment at each reporting period. When significant adverse changes are determined to exist, being changes in the expected timing or amount of future cash flows, an impairment is recorded as a reduction, either directly or through an allowance account, to the carrying amount of the asset. Previously recognized impairments are reversed to the extent of improvements in value. The amount of impairment or impairment reversal is recognized in the statements of operations and changes in fund balances in the period incurred.

iii) Transaction costs

Transaction costs and investment management fees related to financial instruments subsequently measured at fair value are immediately recognized in net income. Transaction costs directly attributable to the acquisition and disposal of financial instruments subsequently measured at amortized cost are capitalized and are included in the acquisition costs or reduce proceeds on disposal.

h) Management estimates and measurement uncertainty

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Items involving management estimates include the following:

i) Asset retirement obligation (ARO) uses estimates of future costs, inflation and discount rates. Different estimates would affect the value of the ARO, the amount of capitalized assets, annual accretion expense and asset amortization expense related to the capitalized future site restoration costs. Management does not believe that changes in assumptions used would materially affect the amount of ARO or assets related to the ARO;
ii) Accrued pension benefit asset and Accrual for employee future benefits involve estimates of salary escalation, inflation, discount rates, investment rates of return, and mortality rates. Different estimates could materially affect these assets and obligations, and benefits expense for the year;
iii) Allowance for doubtful accounts is estimated as amounts owing for longer than 365 days plus or minus specific vendors as assessed by management. Different estimates would affect the amount of Accounts receivable and Bad debt expense for the year. Management does not believe that changes in assumptions used would have a material effect on the financial statements; and
iv) Useful lives of assets which affects annual amortization expense. Changes in the estimates of useful lives, especially for buildings, could materially affect the amount of amortization expense.

2. Financial Instruments

The University is exposed to various risks through its financial instruments. The following analysis provides a measure of the University's risk exposure and concentrations. The financial instruments of the university and the nature of the risks to which they may be subject are as follows:

	Risks				
			Market risk		
Financial Instruments	Credit	Liquidity	Currency	Interest rate	Other price
Cash	√		√	√	
Accounts receivable	√		√		
Investments - Canadian fixed income	√			√	
Investments - equity quoted in active market	√				√
Investments - equity not quoted in active market	√				
Investments - money market pooled funds	√			√	
Investments - index pooled funds: Canadian and foreign equities	√		√		√
Investments - index pooled funds: Canadian fixed income	√			√	√
Investments - pooled partnership units	√				√
Long-term loans receivable	√				
Accounts payable and accrued liabilities		√	√		
Long-term debt		√		√	
Risk management commodity swap derivatives	√	√			√
Interest rate swap derivatives, variable to fixed	√	√			√
Indemnity deposit payable		√			

Credit risk

Credit risk is the risk that a party owing money to the University will fail to discharge that responsibility. The University is exposed to credit risk from the potential non-payment of accounts and long-term loans receivable and non-return of money invested in mutual funds and other investments. It is also exposed to credit risk, or counter-party risk, through potential default under the interest rate swap derivative contracts.

The carrying amount of financial assets on the Statement of Financial Position represents the University's maximum credit risk exposure, unless the swap contracts are in favourable positions (positive fair values). The notional amounts of the swaps are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position.

The maximum exposure to credit risk at the reporting date was:

	2014	2013
Cash and cash equivalents	$ 10,137	$ 3,495
Short and long-term investments	156,254	107,419
Trade accounts receivable	26,745	22,049
Pledges receivable	12	31
Loans receivable	54	159
	$ 193,202	$ 133,153

The University limits its credit exposure related to the swaps by dealing with a counter-party believed to have a good credit standing.

The University minimizes credit risk related to investments by investing with reputable companies. Credit ratings for the University's bond mutual funds are as follows:

	2014		2013	
Credit Rating	Fair Value	Make up of Portfolio (%)	Fair Value	Make up of Portfolio (%)
AAA	$ 8,433	10.2%	$ 1,211	3.8%
AA	21,279	25.6%	11,169	34.6%
A	22,780	27.4%	10,058	31.3%
BBB	24,629	29.7%	7,137	22.2%
BB & Below	1,280	1.5%	247	0.8%
Mortgages	862	1.0%	635	2.0%
Cash and Short-term	3,779	4.5%	1,679	5.2%
Unrated	13	0.0%	21	0.1%
Total	$ 83,055	100.0%	$ 32,157	100.0%

The pledges receivable are from reputable corporations with a history of paying what they have pledged to the University.

The maximum exposure to credit risk for trade accounts receivable at the reporting date by type of customer was:

	2014	2013
Related parties	$ 8,610	$ 7,464
Students and employees	3,216	3,820
Federal government –for research grants	7,357	6,494
Various companies	6,989	3,893
Canada Revenue Agency – GST rebates and Input Tax Credits	573	378
	$ 26,745	$ 22,049

The actual credit risk from receivables from students and employees is minimal as the University has various methods of recourse for collection such as withholding transcripts, certificates or degrees and payroll deduction.

The actual credit risk from research receivables from the federal government is minimal. As long as employees carry out the required research and reporting, the University continues to receive the grants as awarded by the federal government.

The change in the allowance for doubtful accounts receivable in respect of trade receivables during the year was as follows:

	2014	2013
Allowance for doubtful accounts at May 1	$ 831	$ 1,439
Accounts written off	(295)	(707)
Recoveries	60	20
Provision for losses	329	79
Allowance for doubtful accounts at April 30	$ 925	$ 831

Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The University's objective when managing its liquid resources is to maintain sufficient resources to allow it to satisfy its financial obligations, be those operating, capital asset additions, research and special project spending, or debt repayment, and to maintain a solid capital base from which scholarships and bursaries can be paid.

The University manages its operating capital through an operating budget which is approved by the Board of Governors. This budget is allocated to academic and support units on an annual basis to allow each area to meet its strategic priorities and those of the University. Each area must administer its budget responsibly and ensure there is accountability for the resources that are transferred to it. Budget overspending in one year becomes a first charge against a unit's budget for the following year to ensure the capital is recovered. Regular reporting to the Board on revenue projects also takes place.

Restricted and special purpose funds are monitored to ensure spending is in accordance with the various terms and not spent beyond the resources that have been provided. Individual funds are established and carefully monitored

for proper spending. In the event of an over expenditure or ineligible expenditure, the responsible department funds the costs from other resources. In the case of the Restricted - Capital Asset Fund, with the approval of the Province of Saskatchewan, the University is permitted to enter into long-term debt agreements to assist with the financing of capital assets. The interest and principal repayments on debt for the next five years is disclosed in Note 10.

In order to maintain a solid capital base from which scholarships and bursaries can be paid, a Trust and Endowment Committee of the Board of Governors oversees the investment performance and the spending formula. The committee regularly reviews a Statement of Investment Policies and Goals, and recommends changes in investment policies and spending formula as they see fit.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The functional currency of the University is the Canadian dollar. The University infrequently transacts in U.S. dollars due to certain revenues and operating costs being denominated in U.S. dollars, as well as sourcing certain purchases and capital asset acquisitions internationally. The University also invests a portion of its investment portfolio in index pooled funds which invest in foreign equities.

As at April 30, 2014, a 10 percent appreciation in the Canadian dollar versus foreign currencies exchange rates would decrease net revenues by approximately $2,686 (2013 - $2,172), while a depreciation of 10 percent would increase net revenues by approximately $2,686 (2013 - $2,172).

Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in interest rates.

The University is exposed to interest rate risk in its investment in money market and bond mutual funds and bank line of credit. The estimated impact of an immediate 1 percent increase in interest rates would be to decrease the market value of the fixed income portion of the investment portfolio as at April 30, 2014 by $1,270 (2013 - $887) while an immediate 1 percent decrease in interest rates would increase the market value by $1,270 (2013 - $887).

The University mitigates its interest rate risk on its floating-rate debt obligations by entering into fixed interest rate swap agreements. An interest rate swap is a derivative financial contractual agreement between two counter-parties who generally exchange fixed and floating rate interest cash flows based on a notional amount derived from the value of underlying assets or liabilities. The University has entered into interest rate swap agreements with the Canadian Imperial Bank of Commerce and BMO in order to manage the interest rate exposure associated with certain debt obligations. The contracts have the effect of exchanging the floating interest rate cash flows from the underlying short-term debt instruments with fixed interest rate cash flows based on a notional amount.

Other Price risk

Other price risk is the risk that the fair value of a financial instrument or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

Investments are placed in accordance with the investment policy which is approved by the Board of Governors. The investment policy provides guidelines to the University's investment managers for the asset mix of the portfolio regarding the quality and quantity of investments. This helps reduce the impact of market value fluctuations.

The University is exposed to market risk due to its investment in equity mutual funds. A 10 percent increase in equity markets would increase the 2014 net revenues by $4,407 (2013 - $3,541) and a 10 percent decrease in equity markets would decrease net revenues by $4,407 (2013 - $3,541).

The University is also exposed to other price risk as a result of executing interest rate swap agreements. At any given time subsequent to execution, a derivative instrument will have a market value – the University will either have to make a payment, or will be entitled to receive a payment, in order to effectively pay the fixed interest rate under each swap agreement. A 1 percent increase in the market interest rate would increase the 2014 net revenues by $13,510 (2013 - $4,466) and a 1 percent decrease in the market interest rate would decrease net revenues by $16,187 (2013 - $4,925).

The University has entered into three natural gas commodity swap agreements with the Canadian Imperial Bank of Commerce in order to manage the risk of fluctuating natural gas prices. These swaps effectively fix the price of natural gas for an agreed-upon volume at agreed-upon rates over an agreed-upon time period. See Note 9. However, this exposes the University to other price risk, as the value of the derivative is based on the value of the commodity in the market. If the commodity price is lower than the swap-fixed price, the University is in a loss position. If the commodity price is higher than the swap-fixed price, the University would be in a gain position.

Changes in risk

There have been no changes in the University's risk exposures from the prior year.

3. Cash

The University has one bank account with a balance of $9,510 at April 30, 2014 (2013 - $3,426), a second bank account at another institution with a balance of $557 (2013 - $0) and internally holds petty cash of $70 (2013 - $69). The University has a revolving line of credit at the Canadian Imperial Bank of Commerce but did not access it during the year.

4. Accounts Receivable

Accounts receivable are composed of the following:

(in thousands of dollars)

	2014	2013
Trade accounts receivable	$ 26,745	$ 22,049
Loans receivable (current portion)	54	105
Pledges receivable	12	31
Allowance for doubtful accounts	(925)	(831)
Net receivables	$ 25,886	$ 21,354

5. Investments

	2014	2013
Long-Term Investments		
PH&N Canadian Money Market Fund Series O	$ 1,618	$ 1,381
PH&N Canadian Equity Fund Series O	7,719	6,743
PH&N Overseas Equity Pension Trust Series O	6,244	5,534
PH&N Enhanced Total Return Bond Fund	13,282	11,930
GMO Global Equity	13,226	10,560
GIC supporting FNUniv Indemnity Deposit	750	770
Wood Gundy	1,136	208
Mawer Canadian Equity Pooled Fund	8,363	6,615
Westpen Investments Ltd. Partnership	3,972	3,492
BlackRock CDN U.S. Equity Index Class A	7,386	5,623
GPM Real Property (11) Limited Partnership units	2,538	2,518
RBCDS – GIC 2 year	-	20,000
RBC Horizons Active Floating Rate Bond Fund	20,000	20,227
RBC Dynamic Investment Grade Floating Rate Bond Fund	20,000	-
	$ 106,234	$ 95,601
Held in:		
Operating Fund	$ 750	$ 771
Capital Asset Fund	40,000	40,227
Trust Fund	30,410	24,001
Endowment Fund	35,074	30,602
	$ 106,234	$ 95,601

	2014	2013
Short-Term Investments		
Legg-Mason Canadian Money Market Fund	$ -	$ 1,487
Fiera Capital Money Market Fund	247	208
RBCDS – GIC 1 year	20,000	10,000
RBC Horizons Active Floating Rate Bond Fund	14,335	-
RBC Dynamic Investment Grade Floating Rate Bond Fund	15,438	-
437,500 NetSecure Innovations Inc. Class "B" Shares	-	123
	$ 50,020	$ 11,818

	2014	2013
Held in:		
Operating Fund	$ 247	$ 208
Capital Asset Fund	49,773	11,487
Research Fund	-	123
	$ 50,020	$ 11,818

6. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2014	2013	2014	2013	2014	2013
a) Tangible assets						
Land	$ 1	$ 1	$ -	$ -	$ 1	$ 1
Buildings	326,132	290,143	120,001	112,353	206,131	177,790
Site Improvements	33,628	31,824	19,112	18,282	14,516	13,542
Furnishings & Equipment	76,954	74,479	56,275	54,297	20,679	20,182
Library Resources	47,298	47,075	42,140	41,456	5,158	5,619
Leasehold Improvements	2,544	4,437	964	2,349	1,580	2,088
	$ 486,557	$ 447,959	$ 238,492	$ 228,737	$ 248,065	$ 219,222
b) Intangible assets						
Software	4,729	4,546	4,093	4,116	636	430
	$ 4,729	$ 4,546	$ 4,093	$ 4,116	$ 636	$ 430

At year-end, the above capital assets include $40,616 (2013 - $4,493) in building upgrades, site improvements, software and equipment that were in progress. The upgrades are capitalized but not amortized at year-end.

During the year, the University disposed of the following amounts of assets:

- Library Resources with an original cost of $496 (2013 – $492), in accordance with the policy described in note 1(c);
- Software with an original cost of $134 (2013 - $18);
- Buildings with an original cost of $175 (2013 - $596);
- Site Improvements with an original cost of $232 (2013 - $394)
- Leasehold Improvements with an original cost of $1,893 (2013 - $0)
- Furnishings and Equipment with an original cost of $3,383 (2013 - $3,790).

The original land that was transferred to the University when it became a separate legal institution is reported on the statement of financial position at a nominal value of $1. This land includes 20 acres at the College Avenue campus and 357 acres at the main campus. In 1989, the main campus land was appraised by Crown Appraisals of Regina at four dollars per square foot for a total value of $62,204.

This University-owned land is situated within Wascana Centre, and as such, is governed by *The Wascana Centre Act* of the Province of Saskatchewan with respect to the University's ability to construct, improve, landscape,

acquire or dispose of land. The University may not dispose of its land without the approval of the Wascana Centre Authority.

During fiscal year 2000, the University transferred a parcel of land totaling 32.6 acres to the Saskatchewan Indian Federated College (SIFC), now called the First Nations University of Canada (FNUniv), to accommodate their new building. In 2000, the value of this land was estimated at $8,500.

During the year, the University capitalized $120 (2013 - $462) of contributed assets.

7. Collections

Collection of Rare Books, Records and Papers

The University Library maintains a collection of rare books and runs of bound old magazines. The collection is increased either by purchases or donations, which are minimal. The University does not dispose of items in this collection.

The University of Regina Archives collects the official records of the University of Regina, and private papers in various disciplines. The University Archives currently does not purchase or sell any items. All records and papers are transferred or donated.

During the year, the University accepted donations of rare books, records and papers totaling $24 (2013 - $18).

Art Collection

The MacKenzie Art Gallery manages part of the University's art collection as described in Note 22 to these financial statements. The University also owns various works of art including paintings, banners, sculptures, and drawings. Additions to and disposals of this collection are generally few.

During the current year, the University accepted donations of art work totaling $21 (2013 - $24).

Collection of Geographical Maps

The University's map library is a reference library containing maps, air photos, atlases, globes and documents on cartography and land use. Most additions come in the form of donations from government and private individuals. It is also a depository for the National Topographic Survey, who sends new and revised maps to the library monthly. The map library does not sell any items in its collection.

Music Library Collection

The University's Faculty of Fine Arts maintains a collection of printed music for various ensembles and solo instruments. The music library does not sell any items in its collection, but may purchase very small amounts of new works to add to the collection.

(in thousands of dollars)

8. Accounts payable and other accrued liabilities

	2014	2013
Trade payables and accrued liabilities	$ 18,721	$ 15,723
Accrued interest payable	353	169
Vacation pay & current employee future benefits accrual	9,832	4,610
PST payable	28	32
GST payable	123	382
Payroll and withholding taxes	4,028	3,703
	$ 33,085	$ 24,619

9. Risk Management Asset and Liability

The University has a natural gas commodity swap asset of $209 (2013 - $0) and liability of $278 (2013 - $1,085) and an interest rate swap liability of $13,791 (2013 - $13,589) for a total risk management asset of $209 (2013 - $0) and liability of $14,069 (2013 - $14,674).

The University has entered into a number of natural gas commodity swap agreements to manage the risk of fluctuating natural gas prices. Changes in the fair value of the derivatives are recorded in interest and unrealized loss in the General Fund.

Agreement Date	Notional Quantity in GigaJoules (GJ)/Fixed Rate per GJ	To be purchased between:	2014		2013		Unrealized gains (losses)	
			Asset	Liability	Asset	Liability	2014	2013
Oct 7/09	584,400 $6.36 - $6.76	Nov/10 and Oct/14	$ -	$ 186	$ -	$ 699	$ 513	$ 742
Mar 2/10	420,050 $5.31 - $6.02	Nov/10 and Oct /14	-	92	-	395	303	471
Aug 15/12	146,000 $3.65	Nov/14 and Oct/15	95	-	-	(9)	86	9
Jun 14/13	100,375 $3.585	Nov/14 and Oct/15	72	-	-	-	72	-
Jun 14/13	146,400 $3.725	Nov/15 and Oct/16	42	-	-	-	42	-
			$ 209	$ 278	$ -	$ 1,085	$ 1,016	$ 1,222

The University has also entered into a number of interest rate swap agreements to manage the risk of fluctuating interest rates. Changes in the fair value of these derivatives are recorded in interest and unrealized loss in the Restricted Fund. On the credit risk premium renewal date for each swap agreement, the counterparty would review any changes to the credit rating for the Government of Saskatchewan and determine if this would require a change to the credit risk premium.

(in thousands of dollars)

Interest Rate Swap Agreement, overlying Bankers' Acceptances	Effective Interest Rate Fixed at:	Interest rate effective until:	Current credit risk premium effective until:	2014 Notional Amount (Note 10)	2014 Fair Value	2013 Notional Amount (Note 10)	2013 Fair Value
FNUniv Parking Lot	5.780%	Apr 2023	Sep 2014	$ 298	$ 47	$ 323	$ 64
Luther College	5.170%	Oct 2014	Sep 2014	53	1	155	5
Residences	6.107%	Oct 2029	Sep 2014	31,450	7,808	32,634	10,285
Multi-purpose	5.260%	Dec 2024	Jan 2015	9,960	1,490	10,638	2,010
Hall A Res/Daycare	3.580%	Sep, 2040	Jan 2029	58,500	3,504	-	-
2003-04	5.240%	Jan 2019	Jan 2015	561	44	662	68
2004-05	4.900%	Dec 2019	Jan 2015	838	74	963	105
2005-06	5.130%	Apr 2021	Apr 2015	1,011	109	1,129	154
2006-07	4.600%	Oct 2021	May 2015	1,062	100	1,178	140
2007-08	4.640%	Oct 2022	May 2015	1,173	120	1,283	168
2008-09	4.540%	Sep 2023	Sep 2014	1,268	129	1,373	184
2009-10	4.526%	Mar 2025	Mar 2015	1,424	114	1,522	176
2010-11	4.080%	Jan 2026	Jan 2015	1,498	108	1,595	174
2011-12	2.940%	Feb 2027	Feb 2015	1,586	1	1,687	56
2012-13	3.430%	Sep, 2027	Sep 2014	4,956	142	-	-
				$ 115,638	$ 13,791	$ 55,142	$ 13,589

10. Current and Long-Term Debt

The details of the bankers' acceptances and debentures are as follows. No financial liabilities were in default or in a breach of any term or covenant during the period.

	Maturity	Interest Rate at April 30, 2014	2014	2013
Bankers' Acceptances supporting buildings or infrastructure, principal outstanding, at market (all current)				
FNUniv Parking Lot	May 1, 2014	1.480%	$ 298	$ 323
Luther College	May 1, 2014	1.480%	53	155
Residences	May 1, 2014	1.480%	31,450	32,634
Multi-purpose	May 30, 2014	1.495%	9,960	10,638
Residence - Hall A	May 3, 2014	1.230%	58,500	-
Bankers' Acceptances supporting capital projects, principal outstanding, at market (all current)				
2003-04	May 28, 2014	1.639%	561	662
2004-05	May 30, 2014	1.495%	838	963
2005-06	May 20, 2014	1.489%	1,011	1,129
2006-07	May 30, 2014	1.495%	1,062	1,178
2007-08	May 30, 2014	1.495%	1,173	1,283
2008-09	May 26, 2014	1.489%	1,268	1,373
2009-10	May 12, 2014	1.980%	1,424	1,522

	Maturity	Interest Rate at April 30, 2014	2014	2013
2010-11	May 14, 2014	1.680%	1,498	1,595
2011-12	May 8, 2014	1.679%	1,586	1,687
2012-13	May 27, 2014	1.689%	4,956	-

	Maturity	Interest Rate at April 30, 2014	Annual Payments	2014	2013
Debenture, secured by building					
College West Residence (asset carried at $4,150 (2013 - $4,285))	Dec 31, 2024	7.25%	$ 155	$ 1,163	$ 1,230
Daycare Centre (asset carried at $289 (2013 - $304))	Jan 6, 2014	5.19%	54	47	98
Total outstanding debt instruments				$ 116,848	$ 56,470
Less: Long-Term Portion				$ (1,091)	$ (1,210)
Current Portion				$ 115,757	$ 55,260

The principal and interest repayments for the next five years are:

	Principal	Interest
2014/15	$ 3,484	$ 5,181
2015/16	4,543	4,987
2016/17	5,268	4,746
2017/18	5,524	4,488
2018/19	5,751	4,216

11. Due to/from Other Funds

Purpose and Funds Involved	Interest Rate	Annual Repayment Terms	2014	2013
Restricted - Trust holds the assets to pay the pensions under the Supplementary Executive Retirement Plan recorded in General – Vacation and Pension Accrual	n/a	As pensions are paid, this amount will be reduced	$ 2,216	$ 1,704

12. Employee Future Benefits

The University is responsible for the administration of three pension plans. It also provides other employee future benefits, as determined by employment agreements.

The Pension Plan for the Academic and Administrative Employees of the University of Regina (Academic & Admin Plan) is a defined benefit (DB) best earning average pension plan, combined with a defined contribution (DC) component. The DB component was closed to new members effective January 1, 2000.

Actuarial valuations are completed at least every 3 years as prescribed by statute. The most recent actuarial valuation for funding purposes was completed with the effective date of December 31, 2012. There were no significant changes in the contractual elements of the plans during the year.

The University of Regina Non-Academic Pension Plan (Non-Academic Plan) is a DB final average pension plan. Actuarial valuations are completed at least every 3 years as prescribed by statute. The most recent actuarial valuation for funding purposes was completed with the effective date of December 31, 2012. There were no significant changes in the contractual elements of the plans during the year.

The University funds the above pension plans based on the amounts recommended by the actuary with minimum amounts specified in accordance with the plans and in the collective bargaining agreements. There is no provision that allows for the withdrawal of surplus by the University.

The University of Regina Supplementary Executive Retirement Plan (SERP) is a DB best earning average retirement plan, combined with a DC component. The University's intention is to top up the pension allowed through the Pension Plan for the Academic and Administrative Employees. The University is responsible for making benefit payments under the terms of the SERP as they become due and is not required to fund the obligation in advance. Included in the non-pension employee future benefit obligation below is a liability of $2,216 (2013 - $1,704) relating to the unfunded SERP. The University has set aside cash in the Restricted - Trust Fund equal to the actuary's calculation of the SERP obligation (see Note 11). This cash is still available to the University's creditors, and therefore is not used to compute the accrual for employee future benefits.

The University's Retiring Allowance Plan includes members of the Faculty bargaining unit, the Administrative, Professional and Technical (APT) bargaining unit and out-of-scope employees. A tenured academic staff member eligible for early retirement with at least fifteen years of service who retires and does not receive any other special arrangement is eligible for a lump-sum retiring allowance based on the number of years of continuous service, to a maximum of fifty percent of the member's actual salary. An APT member with at least ten years of continuous service who retires and does not receive any other special arrangement is granted a bonus based on number of years of continuous service. Out-of-scope employees with a minimum of fifteen years of continuous service who retire prior to age 65 are entitled to a lump-sum benefit based on the number of years of continuous service, to a maximum of fifty percent of salary at retirement.

Other non-pension employee future benefits include severance payments if any, retirement cost liabilities such as group insurance and dental benefits promised under prior early retirement packages, voluntary incentive plan for retirement, maternity, paternity or parental leave benefits, as well as short-term and long-term disability benefits to be paid after April 30.

(in thousands of dollars)

The status of all Employee Future Benefits is as follows:

	2014		2013	
Pension Plans:	Academic & Admin	Non-Academic	Academic & Admin	Non-Academic
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 200,265	$ 65,745	$ 190,305	$ 61,282
Employer contributions	1,273	1,619	1,150	1,584
Employee contributions	1,273	1,618	1,150	1,592
Benefit payments	(12,409)	(4,595)	(9,773)	(4,173)
Actual return on plan assets	36,030	11,736	17,433	5,460
Fair value of plan assets at end of year	$ 226,432	$ 76,123	$ 200,265	$ 65,745
Change in benefit obligation:				
Benefit obligation at beginning of year	$ (182,472)	$ (72,927)	$ (180,726)	$ (64,288)
Current service cost	(2,473)	(1,314)	(3,198)	(1,360)
Employee contributions	(1,273)	(1,618)	(1,150)	(1,592)
Interest on benefit obligations	(11,401)	(4,507)	(11,571)	(4,076)
Benefit payments	12,409	4,595	9,773	4,173
Experience gain (loss)	(18,191)	(2,916)	4,400	(5,784)
Benefit obligation at end of year	$ (203,401)	$ (78,687)	$ (182,472)	$ (72,927)
Funded status:				
Plan net assets (net benefit obligation)	$ 23,031	$ (2,564)	$ 17,793	$ (7,182)
Valuation Allowance	(13,955)	-	(7,505)	-
Accrued benefit asset (liability)	$ 9,076	$ (2,564)	$ 10,288	$ (7,182)
Pension expense:				
Current service cost	$ 2,473	$ 1,314	$ 3,198	$ 1,360
Interest on benefit obligations	11,401	4,507	11,571	4,076
Actual return on plan assets	(36,030)	(11,736)	(17,433)	(5,460)
Experience (gain) loss	18,191	2,916	(4,400)	5,784
Increase (decrease) in Valuation Allowance	6,450	-	7,505	-
Total defined benefit expense	$ 2,485	$ (2,999)	$ 441	$ 5,760
Defined contribution pension expense	$ 5,427	$ -	$ 4,161	$ -

(in thousands of dollars)

Non-Pension Employee Future Benefits:

	2014	2013
Change in benefit obligations:		
Benefit obligation at beginning of year	$ (16,504)	$ (14,923)
Current service cost	(2,824)	(2,425)
Interest on benefit obligations	(619)	(651)
Benefit payments	2,033	1,969
Experience (loss)	(349)	(474)
Benefit obligation at end of year	$ (18,263)	$ (16,504)
Recorded in Statement of Financial Position:		
Included in Accounts payable and other accrued liabilities	$ (5,351)	$ (323)
Accrual for employee future benefits	(17,646)	(16,181)
Total obligation	$ (22,997)	$ (16,504)
Non-pension employee future benefit expense:		
Current service cost	$ 2,824	$ 2,425
Interest on benefit obligations	619	651
Experience loss	349	474
Total non-pension employee future benefit expense	$ 3,792	$ 3,550

	2014		2013	
Assumptions as at April 30:	Pension	Non-Pension	Pension	Non-Pension
Discount rate	6.25% to 6.40%	4.00% to 4.20%	6.25% to 6.40%	3.60% to 3.80%
Inflation	2.50%	2.50%	2.50%	2.50%
Salary increase SERP	-	3.00%	-	3.00%
Salary increase (inflation and productivity)	3.00%	3.00%	3.00%	3.00%
Salary increase (merit and promotion)				
Non-Academic Plan	0.50%	-	0.50%	-
Academic & Admin Plan and Retiring Allowance Plan	3.00% first 10 years Grading down to 0.75% after 20 years	3.00% first 10 years Grading down to 0.75% after 20 years	3.00% first 10 years Grading down to 0.75% after 20 years	3.00% first 10 years Grading down to 0.75% after 20 years

Allocation of Pension Plan Assets at Market Value

	2014	2013
Asset category		
Canadian equities	15%	14%
U.S. equities	13%	14%
Non-North American equities	15%	13%
Real Estate	6%	7%
Bonds	19%	21%
Mortgages	2%	2%
Short-term investments	3%	3%
U.S. Common Stock	8%	8%
Balanced Funds	19%	18%
	100%	100%

13. Asset Retirement Obligation

The University owns and manages several underground fuel storage tanks, which are included in the site improvements category. Based on legislation currently in effect, the University will be required to undertake certain removal and site restoration activities when these tanks are retired. As such, the obligation was measured initially with the help of an engineering firm at management's best estimate of costs (using future value methodology with inflation at 2.5 percent, and present value methodology with a discount rate of 4.5 percent over the life of the tanks estimated at 40 years) that will be incurred for the eventual removal of the tanks and restoration of the sites. The estimated costs were capitalized into the carrying amount of the tanks and are being amortized over the same period as the tanks. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. No amounts were paid during the year with respect to this asset retirement obligation. Accretion expense for the period of $9 (2013 - $9) is recorded in the Restricted – Capital Asset Fund.

14. Internally Restricted Fund Balances

Funds involved and policy:

	2014	2013
Restricted – Research: Certain research is sponsored by various faculties and departments within the University.	4,402	5,386
Restricted – Trust: Amounts transferred from General – Ancillary Fund to be used for future parking facilities.	5,285	4,059
	$ 9,687	$ 9,445

15. Operating Leases

During the year, the University leased out one building, the Daycare Building. The following table discloses information about this property.

	2014	2013
Capital cost	$ 577	$ 577
Accumulated amortization	288	273
Amortization expense	15	14
Outstanding debt	47	98
Principal & interest paid (net)	54	54
Income from Operating Leases	54	54

During the year, the University also leased out 25,006 square feet of space (2013 – 25,006) and recorded $546 in lease revenue from these leases (2013 – $656).

The University is implementing a print optimization program whereby it leases its fleet of multi-function print/scan/fax devices (MFD's). The master lease agreement is effective for a 5-year period beginning May 20, 2010. The term of this agreement may be extended for an additional one year period, subject to the written agreement of the parties prior to the end of the original term. The expiry or earlier termination of this Master Agreement shall not affect any Lease Agreement then in effect, which shall continue in full force and effect in accordance with its terms. The Lease Agreement (Schedule of Goods) commences on the Acceptance Date.

The number of leased devices increases as each department is converted to the new program. The university also contracts with a separate company to manage the program and the devices. That contract is in effect from June 1, 2010 until May 31, 2015, unless otherwise terminated, and has the option of being extended by the University for up to three additional consecutive twelve month terms. However, we have no fixed fee payable to the management company, who is instead paid based on machine usage.

The University also leases space from several related parties, as described in Note 22 to these financial statements.

The following table discloses the committed lease payments for the next 5 years, and, for the number of MFD devices on hand at April 30, the future minimum annual commitments for device rental for the next 5 years:

	Space Rental	MFD Rental
2014/15	$ 908	$ 364
2015/16	639	172
2016/17	392	67
2017/18	31	20
2018/19	-	7

16. Investment Income and Unrealized Gain (Loss)

	General	Restricted	Endowment	Total	Total 2013
Interest income from loans and receivables	$ 32	$ 6	$ -	$ 38	$ 43
Interest/dividend income from financial instruments	133	3,502	470	4,105	3,494
Realized loss on financial instruments	-	-	-	-	1,286
Unrealized foreign exchange gain (loss) on financial instruments	-	1,086	-	1,086	173
Change in fair value of financial instruments due to other than exchange rates	1,016	3,359	3,099	7,474	3,680
Total	$ 1,181	$ 7,953	$ 3,569	$ 12,703	$ 8,676

17. Employee Benefits

	2014	2013
Pension Expense – Defined Benefit (Note 12)	$ (514)	$ 6,201
Pension Expense – Defined Contribution (Note 12)	5,427	4,161
Non-Pension Employee Future Benefits (Note 12)	3,792	3,550
All other employee benefits	9,286	9,009
	$ 17,991	$ 22,921

18. Interest and Unrealized Loss

	General	Restricted	Endowment	Total	Total 2013
Interest expense from financial liabilities	$ 1,981	$ 1,712	$ -	$ 3,693	$ 3,107
Decrease in fair value of interest rate risk management swap contracts (see Note 9)	-	202	-	202	597
Total	$ 1,981	$ 1,914	$ -	$ 3,895	$ 3,704

19. Expenses by Function

The University charges all General – Operating fund and General – Vacation Pay and Pension Accrual fund benefits to a central account in the Administration and General grouping of accounts. For this note, these amounts are allocated to the other operating functions based on the amount of salaries in each function.

(in thousands of dollars)

	2014	2013
Credit Instruction	$ 94,195	$ 89,559
Non-Credit Instruction	6,150	6,943
Library	8,206	7,478
External Relations	3,128	3,077
Computing	7,420	6,748
Administration and General	26,214	25,426
Facilities	21,988	20,146
Student Services	13,416	12,098
Ancillary	12,750	12,753
Special Projects	5,670	5,101
Capital	19,204	19,800
Research	12,292	12,606
Trust & Endowment	10,739	10,478
Total Expenses	$ 241,372	$ 232,213

20. Interfund Transfers

Each year, the University transfers amounts between its funds for various purposes. These include funding capital asset purchases, and reassigning fund balances to support certain activities.

	General		Restricted		Endowment	
	2014	2013	2014	2013	2014	2013
Asset purchases recorded in Restricted – Capital Asset Fund	$ (2,510)	$ (2,207)	$ 2,510	$ 2,207	$ -	$ -
Support for employee benefit fluctuations	(2,800)	-	2,800	-	-	-
Support for capital projects	(2,973)	(4,716)	2,973	4,716	-	-
Project management fees	295	277	(295)	(277)	-	-
Support for Operating projects	558	1,441	(558)	(1,441)	-	-
Trust support for Engineering, Business Administration & other	-	-	-	91	-	(91)
Ancillary parking revenue to building trust	(450)	(450)	450	450	-	-
Administrative support from research	3,587	3,880	(3,587)	(3,880)	-	-
Support for special projects	(8)	273	8	(273)	-	-
Support for Research	(1,076)	(1,913)	1,076	1,913	-	-
Residence debt payments from Ancillary	(1,253)	(1,241)	1,253	1,241	-	-
Trust Funds transferred to Endowment	-	-	(244)	(412)	244	412
Interest on various fund balances	700	488	(700)	(488)	-	-
Other miscellaneous transfers	(316)	(190)	319	188	(3)	2
Support for Graduate Scholarships	(149)	(207)	149	207	-	-
Support for Undergraduate Scholarships	(294)	329	210	(268)	84	(61)
	$ (6,689)	$ (4,236)	$ 6,364	$ 3,974	$ 325	$ 262

21. Budget Versus Actual for 2014

General – Operating Fund

	Budget	Actual
Revenues	$ 181,296	$ 189,294
Expenses	(182,925)	(182,965)
Net expenses (revenues)	(1,629)	6,329
Interfund transfers	1,629	(6,399)
Net increase in fund balance for year	$ -	$ (70)

The University's General – Operating Fund revenue budget of $186,964 is net of internal operating recoveries of $2,440, transfers of $2,225, and transfer of space rental from Ancillaries of $1,003 resulting in the disclosed revenue budget above of $181,296.

The University's General – Operating Fund expense budget of $186,964 is net of library acquisitions of $2,960, internal operating recoveries of $2,440, and increased by salaries of Canada Research Chairs of $1,361 which are funded by interfund transfers from the research fund resulting in the disclosed expense budget above of $182,925.

The interfund transfer budget of $1,629 is comprised of transfers-in excluded from revenue budget and transfers-out excluded from expense budget as noted above.

General – Ancillary Fund

	Budget	Actual
Revenues	$ 15,511	$ 15,995
Expenses	(11,143)	(12,750)
Net revenues	4,368	3,245
Interfund transfers	(4,526)	(3,281)
Net decrease in fund balance for year	$ (158)	$ (36)

The Ancillary Fund revenue and expense budgets are net of internal sales of $1,623. The Ancillary expense budget is also net of $1,003 space rental charges treated as interfund transfers to General Operating and $3,523 of interfund transfers to the Capital Asset Fund for the Residences.

General – Special Projects Fund

	Budget	Actual
Revenues	$ 3,395	$ 5,271
Expenses	(3,395)	(5,670)
Net expenses	-	(399)
Interfund transfers	-	2,991
Net increase in fund balance for year	$ -	$ 2,592

Restricted – Capital Asset Fund

	Budget	Actual
Revenues	$ 16,276	$ 14,028
Expenses	(39,741)	(19,204)
Net expenses	(23,465)	(5,176)
Interfund transfers	3,323	12,274
Net (decrease) increase in fund balance for year	$ (20,142)	$ 7,098

Restricted – Research Fund

	Budget	Actual
Revenues	$ 23,620	$ 18,005
Expenses	(22,259)	(12,292)
Net expenses	1,361	5,713
Interfund transfers	(1,361)	(6,568)
Net decrease in fund balance for year	$ -	$ (855)

Restricted – Trust Fund

	Budget	Actual
Revenues	$ 9,725	$ 17,097
Expenses	(3,420)	(10,739)
Net revenues	6,305	6,358
Interfund transfers	-	658
Net increase in fund balance for year	$ 6,305	$ 7,016

Endowment Fund

	Budget	Actual
Revenues	$ 1,738	$ 4,146
Expenses	-	-
Net revenues	1,738	4,146
Interfund transfers	-	325
Net increase in fund balance for year	$ 1,738	$ 4,471

Endowment Fund revenues are primarily dependent upon contributions, gifts, donations, bequests and investment returns.

22. Related Party Transactions

The University of Regina has a number of related parties. Each related party, along with a description of the relationship and transactions and balances with those related parties, is described in this note.

Government of Saskatchewan

The University receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its Board of Governors members appointed by the Government of Saskatchewan. To the extent that the Government exercises significant influence over the operations of the University, all Saskatchewan Crown agencies, such as corporations, boards and commissions, are considered related parties to the University.

Included in Grants and contracts – Government of Saskatchewan are operating and other grants and contracts received or receivable from the Ministry of Advanced Education as indicated below (receivable - $7,074 (2013 - $6,397)). A portion of the revenue from the Government of Saskatchewan includes supplemental funding for facilities, including funding allocated to principal and interest repayments for sustaining capital.

	2014	2013
General – Operating:	$ 106,515	$ 102,927
General – Special Projects:	37	142
General Fund total	$ 106,552	$ 103,069
Restricted – Capital:	$ 11,993	$ 5,976
Restricted – Research:	369	953
Restricted Fund total	$ 12,362	$ 6,929

The University currently leases land to the Saskatchewan Opportunities Corporation (SOCO). The lease is for 99 years at one dollar per year, expiring on June 30, 2097. The land shall be used for and devoted to research and technology development activities. Regina Research Park is situated on this land.

The University also leases 112 acres of land, known as the Wascana East Lands, from the Saskatchewan Government. The lease is for 99 years at one dollar per year, expiring on July 31, 2104. The lease agreement indicates that it is the desire and intention of the parties to transfer this land to the University at some point during the lease term, at which point the lease will terminate. This transfer shall be in consideration for the University of Regina providing to the Government of Saskatchewan, through SOCO, the partially developed and serviced lands for the use and construction of the Regina Research Park.

The University also leases approximately 48,575 (2013 – 55,596) square feet of building space from SOCO and SIAST for approximately $908 (2013 - $1,060) per year plus its share of occupancy costs.

Routine operating transactions with Government of Saskatchewan related parties are recorded at the standard or agreed rates charged by those organizations and are settled on normal trade terms. The larger of these payments are as follows:

	2014	2013
Saskatchewan Power Corporation	$ 3,993	$ 3,816
Saskatchewan Energy	82	75
Saskatchewan Telecommunications	654	577
University of Saskatchewan	422	533
Saskatchewan Workers Compensation	269	273

(in thousands of dollars)

	2014	2013
Saskatchewan Institute of Applied Science and Technology	3,183	2,656
Saskatchewan Opportunities Corporation/Innovation Place	1,136	1,004
Conexus Arts Centre	112	112
Saskatchewan Ministry of Finance	77	300
Saskatchewan Research Council	106	69

At year-end, the University had accounts payable to the above organizations totaling $666 (2013 - $463). The University had accounts receivable from the above organizations totaling $399 (2013 - $195).

University of Regina Crown Foundation

The University was also related to the University of Regina Crown Foundation through representation on the Foundation's Board of Trustees. The purpose of the Foundation was to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University for the purpose of supporting and promoting its education or research activities. The Foundation was incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. Effective for July 31, 2013, *The Crown Foundation Act* was repealed and the Foundation was wound up.

Canadian Universities Reciprocal Insurance Exchange

The University of Regina is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public liability insurance risks of its members. All members pay annual deposit premiums that are actuarially determined and are subject to further assessment in the event members' premiums and reserves are insufficient to cover losses and expenses.

As of December 31, 2013, CURIE had an accumulated surplus of $71,300 (2012 - $60,500). The University's participation rate in CURIE is 1.473 percent (2012 – 1.465 percent). At year-end, the University had a surplus distribution receivable of $0 (2012 - $66).

MacKenzie Art Gallery Inc.

The Gallery is custodian of a collection of artwork that is the property of the University. The University provides funding to the Gallery, which can be reduced if the government grant to the University is reduced. The Gallery's Board contains two members appointed by the University. The University holds certain money in trust for the Gallery. Income earned on this money is, from time to time, paid to the Gallery to be used to purchase additional works of art to add to the Collection and for the cleaning and restoration of works comprised in the Collection. The University also provides other operating services to the Gallery such as audiovisual, printing, and payroll services. The Gallery reimburses the University for these services.

During the year, the University applied grant money of $400 (2013 - $400) against the Gallery's receivable and paid $36 (2013 - $30) to the Gallery. The Gallery paid the University $1,333 (2013 - $1,412) for services rendered.

At April 30, 2014 the University had an account receivable from the Gallery totaling $126 (2013 - $104).

Amounts payable to the Gallery were minimal at each year-end.

The Gallery has given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest totals $765 (2013 - $649). This amount is not included in the University's financial statements. The University does not charge the Gallery for this service.

Wascana Centre Authority

On April 1, 1962, the Wascana Centre Authority (WCA) was constituted a body corporate under *The Wascana Centre Act*. The Government of Saskatchewan, the City of Regina and the University were named as participating parties. The University has appointed three members to the 11-member WCA Board, one of whom is the University President who is also a member of the University Board of Governors.

The University has a statutory obligation to the Authority for the cost of landscape construction and landscape maintenance performed on University owned land. Payments made to the Authority are as follows:

	2014	2013
Statutory Maintenance	$ 820	$ 775
Other miscellaneous payments	388	162
	$ 1,208	$ 937

The University received grants of $252 (2013 - $252) from the Ministry of Advanced Education to help fund the above payments to the Wascana Centre Authority.

Federated Colleges

Three colleges located on the main campus – Campion College, Luther College and the First Nations University of Canada (FNUniv) are federated with the University but are financially and administratively independent. Students interested in registering in a federated college must meet the general entrance requirements of the University of Regina. Courses offered by the University and the colleges are open to all students. The University's Board of Governors sets the tuition rates that must be paid by all students. Degrees are granted by the University when students have completed all requirements. The University has agreements with the three colleges that determine how student fees are shared.

The University also provides other operating services to the colleges such as telephone, audio visual, library book purchasing, printing, research grant administration and payroll services. The colleges reimburse the University for cash outflows resulting from these services. The University had the following receipts, receivables and payables:

	Operating		Fee Share		Infrastructure		Loans	
	2014	2013	2014	2013	2014	2013	2014	2013
Receipts from:								
Campion College	$ 769	$ 835	$ -	$ -	$ 638	$ 641	$ -	$ -
Luther College	1,459	1,391	-	-	631	635	111	111
FNUniv	621	458	-	-	-	-	-	-
	$ 2,849	$ 2,684	$ -	$ -	$ 1,269	$ 1,276	$ 111	$ 111

	Operating		Fee Share		Infrastructure		Loans	
	2014	2013	2014	2013	2014	2013	2014	2013
Receivable from (payable to):								
Campion College	$ 167	$ 81	$ 67	$ 65	$ -	$ -	$ -	$ -
Luther College	328	186	41	57	-	-	55	159
FNUniv	86	82	209	(83)	-	-	-	-
	$ 581	$ 349	$ 317	$ 39	$ -	$ -	$ 55	$ 159

The University holds a number of trust funds on behalf of FNUniv. The University also has other small agreements with the colleges. As a result of these, the University made payments to the colleges during the year as follows:

	2014	2013
Payments to Luther College	$ 158	$ 127
Payments to FNUniv	155	112
Payments to Campion College	3	-

FNUniv has given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest, totals $1,747 (2013 - $1,460). This amount is not included in the University's financial statements. The University does not charge FNUniv for this service.

Petroleum Technology Research Centre

The Petroleum Technology Research Centre (PTRC) is a federally incorporated not-for-profit petroleum research and development corporation. The PTRC is a collaborative initiative of The University of Regina, Saskatchewan Research Council (SRC), Natural Resources Canada (NRCan) and Saskatchewan Ministry of the Economy.

During the year, the University received $2,827 (2013 - $4,762) from the PTRC to repay salary and benefits of the PTRC employees, who are paid through U of R acting as a payroll service, and to fund research projects. The University also employs professors who carry out PTRC related research. These professors will remain employees of the University of Regina.

SpringBoard West Innovations Inc.

SpringBoard West Innovations Inc. (SBWI) is established under *The Non-Profit Corporations Act, 1995* of Saskatchewan to help innovators transform an idea into a commercial reality and to help organizations access important new innovations. The University has significant influence over SBWI by virtue of having two directors on a board of six directors.

SBWI was focussed on projects in the energy, environment, informatics, life and biomedical sciences sectors. However, SBWI is currently winding up, and will likely finish the process during the next fiscal year. Upon liquidation and dissolution, any remaining property of SBWI, currently indeterminable, shall be distributed pro-rata between the University of Regina and the Government of Saskatchewan.

The University had been leasing space from SBWI in the 2-Research Drive Building, as well as contracting with them for other services. During the year, the University made payments to SBWI of $8 (2013 - $444), and had no payables to SBWI at either year-end.

IPAC-CO2 Research Inc.

IPAC-CO2 Research Inc. (IPAC-CO2) is established as a corporation without share capital under Part II of the *Canada Corporations Act* to undertake research and development and commercial services in the area of carbon capture and storage risk assessment and all activities associated therewith.

The University has significant influence over IPAC-CO2 by virtue of its ability to appoint three directors on a board of seven directors, and by virtue of being one of two voting members, the other being the Crown Investments Corporation of Saskatchewan (CIC).

During the year, there were no operational transactions between the University and IPAC-CO2, and there are no balances receivable or payable at April 30, 2014 or as at April 30, 2013.

On March 1, 2014, IPAC-CO2 officially provided notice in the Canadian Gazette that it will surrender its charter 120 days from that date. Industry Canada confirmed that a Directive of Dissolution and Cancellation of Charter was issued, dated June 30, 2014. Upon liquidation, dissolution or the winding-up of IPAC-CO2, all its remaining assets after payment of its liabilities shall be distributed ratably between the University and CIC. During the year ending April 30, 2014, based on a transfer agreement between the University and IPAC-CO2 effective July 1, 2013, 2 assets, namely a Rock Evaluation Unit and a High Power Computer, were transferred to the University for consideration of the sum of one dollar.

FNUniv Financial Administration Inc.

On March 10, 2011, as a result of a May 1, 2010 Administrative Services Contract between First Nations University of Canada (FNUniv) and the University of Regina, the University incorporated a fully-owned, for-profit corporation under *The Business Corporations Act* called FNUniv Financial Administration Inc. (FFA). FFA has a March 31 year end. The University holds 10 Class A voting shares. The president of the University is the president and sole director of FFA. The purpose of FFA is to provide administrative services related to the administration and disbursement of FNUniv Funds.

The University accounts for FFA using the equity method. As such, the University has an Investment in FFA of ten dollars.

At April 30, 2014, FFA had Cash of $0 (2013 - $2,504), FNUniv Credit Card Receivable of $0 (2013 - $13), for a total asset balance of $0 (2013 – $2,517), Accounts Payable of $0 (2013 - $117) from the Saskatchewan Ministry of Advanced Education, and Due to FNUniv of $0 (2013 - $2,400). As FFA has no revenues, expenses or net income, the value of the University's Investment in FFA remains at ten dollars.

During the year, the University flowed $6,442 (2013 - $7,025) of Indian Studies Support Program (ISSP) money received from the Federal Ministry of Indian Affairs and Northern Development through to FFA who then transferred it to the University's agent, MNP LLP (MNP). FFA transferred $25 (2013 - $0) to the University to be invested on behalf of FNUniv scholarships. FFA also recorded $7,649 (2013 - $7,076) of cash collected at FNUniv. These amounts are not recorded in the University's financial statements.

Also as a result of the Administrative Services Contract, where FNUniv agreed to indemnify and save harmless the University and all University Parties and to provide the University with an indemnification in an amount and in form and content satisfactory to the University to secure payment of the indemnity, the University entered into an Indemnity Amount Agreement with FNUniv, effective April 1, 2011. Both parties agreed that the indemnification deposit shall be $750, and shall be invested in an interest bearing savings account maintained by the University. Interest earned on the investment shall form part of the indemnity amount. The Administrative Services Contract was finished March 31, 2014, and a new Advisory Services Agreement was signed. Both parties also signed an Indemnity Amount Amending Agreement to support continuation of the indemnity deposit. The GIC investment

supporting the original indemnification matured, and the accrued interest along with the interest earned during the year was paid out to FNUniv. The original $750 was again invested in a new 3-year GIC to support the new $750 Indemnification. The GIC and Indemnity Liability have an April 30, 2014 balance of $750 (2013 - $770).

University of Regina Board of Governors
During the year, the University paid honorariums and expenses of $47 (2013 - $52) to or on behalf of Board members.

During the year, the University paid $194 (2013 - $101) to vendors who are owned or partially owned by or under the direction of University Board members. These vendors provided services at normal market rates and are not otherwise related to the University. The Board members remained free from conflict as they did not participate in the University's decision to use those vendors. At April 30, 2014, the University had accounts payable of $17 (2013 - $0) to these vendors.

23. Commitments and Contingencies

At April 30, 2014, the University has outstanding contractual commitments totaling $1,237 (2013 - $112) related to four (2013 – three) large capital projects. The original commitment from these contracts is $2,550 (2013 - $2,162). By April 30, 2014, the University had already spent $1,313 (2013 - $2,050) related to these contracts.

The University has also entered into contracts for building the new Hall A Residence/Daycare building. These contracts have no value statement in them, but are "cost plus" arrangements. Although no value is stated in the contracts, the University anticipates spending $77,590 (2013 - $68,600) under these contracts to build the new building. As at April 30, 2014, the University had already spent $35,001 (2013 - $1,499) related to these contracts, leaving an anticipated $42,589 (2013 - $67,101).

The University also had open purchase order commitments totaling $2,545 (2013 - $1,404).

The University is currently involved in a number of instances of litigation. The results of these instances are not determinable. For all but one, any loss would be covered by insurance. For the one instance that is of a contractual nature, an estimate of the contingent loss cannot be reasonably made.

24. Presentation

Certain numbers have been reclassified to conform to current year's presentation.

25. Adjustment for Prior Period Errors

It was determined that payments for certain time-bound services, such as on-line library subscriptions, software maintenance contracts, membership dues and other items, were not being prorated when the purchased service crossed fiscal years and were therefore not being properly set up as prepaid expenses.

The impacts of the correction of the prior period errors are as follows:

Impact on Statement 1 – Statement of Financial Position

As at April 30, 2013	As previously reported	Prior period correction	As restated
Prepaid expenses	$ 577	$ 2,225	$ 2,802
Total current assets	39,223	2,225	41,448
Total assets	364,819	2,225	367,044
Fund Balances - Unrestricted funds	2,500	2,225	4,725
Fund Balances - Total	243,243	2,225	245,468
Total Liabilities and Fund Balances	$ 364,819	$ 2,225	$ 367,044

Impact on Statement 2 – Statement of Operations and Changes in Fund Balances

As at April 30, 2013	As previously reported	Prior period correction	As restated
Operational supplies and expenses	$ 17,983	$ 33	$ 18,016
Equipment, rental, maintenance & renovations	11,351	(985)	10,366
Expenses - total	233,165	(952)	232,213
Excess of revenues over expenses	10,256	952	11,208
Net increase in fund balances for the year	10,256	952	11,208
Fund balances, beginning of year	232,987	1,273	234,260
Fund balances, end of year	$ 243,243	$ 2,225	$ 245,468

Impact on Statement 3 – Statement of Cash Flows

As at April 30, 2013	As previously reported	Prior period correction	As restated
Excess of revenues over expenses	$ 10,256	$ 952	$ 11,208
(Increase) decrease in non-cash working capital	766	(952)	(186)

Impact on Statement 4 – Statement of Operations and Changes in Fund Balances – General Fund

As at April 30, 2013	As previously reported	Prior period correction	As restated
Operational supplies and expenses	$ 14,940	$ 33	$ 14,973
Equipment, rental, maintenance & renovations	8,761	(985)	7,776
Expenses - total	190,281	(952)	189,329
Excess (deficiency) of revenues over expenses	8,027	952	8,979
Net increase (decrease) in fund balances for year	3,791	952	4,743
Fund balances, beginning of year	(1,291)	1,273	(18)
Fund balances, end of year	$ 2,500	$ 2,225	$ 4,725

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